

Enforcement Legislative Report

# Enforcement Activities

for the Period February 1, 2009  
through July 31, 2009

State of California  
Governor Arnold Schwarzenegger

Business, Transportation and  
Housing Agency  
Dale Bonner,  
Secretary



Department of  
Corporations  
Preston DuFauchard,  
Commissioner



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# Summary of the Enforcement Legislative Report

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The Department of Corporations (Department) continues to receive a significant number of complaints from the general public. In this report, covering the period of February 1, 2009 to July 31, 2009, the number of complaints received was 1,832 compared to 1,410 for the prior period, an increase of 422 complaints. In addition, the number of complaints over the one-year reporting period of August 1, 2008 through July 31, 2009 was 3,242, an increase of 242 over the prior year period of 3,000. While both the Enforcement Division and the Financial Services Division (FSD) experienced a slight increase, the Securities Regulation Division (SRD) experienced a slight decrease in the number of complaints received.

The nature of the complaints center around home mortgages, mortgage backed securities, and a variety of investments. Consumers continue to experience financial distress due to home mortgage difficulties and investment failures. Consumer issues range from requesting help in a foreclosure situation to alleging fraud in a mortgage transaction. Investors who have lost monies due to the failure of investments have submitted complaints alleging fraud and inadequate disclosure of the level of risk involved. The Department expects this trend to continue until the State's economic conditions improve.



# Section I

## Number of Authorized Enforcement Positions and Vacancies

The Department is in the process of advertising and interviewing candidates for two positions that became vacant in the Enforcement Division.

| Enforcement Positions            |                                  |           |  |
|----------------------------------|----------------------------------|-----------|--|
| Title of Positions               | Number of Positions at 7/31/2009 | Vacancies | Notes  |
| Deputy Commissioner (CEA)        | 1                                |           |  |
| Staff Counsel IV                 | 3                                |           | Created by June 2009 promotion                           |
| Staff Counsel III                | 11                               |           |  |
| Staff Counsel                    | 13                               |           |  |
| Assoc. Corporations Investigator | 1                                | 1         | Currently advertising, created by December 2008 transfer |
| Corporations Investigator        | 2                                |           |  |
| Senior Legal Analyst             | 1                                |           |  |
| Staff Services Analyst           | 2                                |           |  |
| Legal Assistant                  | 2                                |           |  |
| Legal Secretary                  | 1                                |           |  |
| Senior Legal Typist              | 1                                |           |  |
| Office Technician                | 1                                |           |  |
| Supervising Corp Examiner        | 1                                |           |  |
| Corporations Examiner IV         | 9                                | 1         | Currently advertising, created by May 2009 transfer.     |
| Corporations Examiner            | 2                                |           |  |
| Total                            | 50                               | 2         |  |



# Section II

## Total Number of Complaints Received and the Disposition of Complaints During the Period

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The Department receives complaints against licensed, unlicensed and allegedly fraudulent individuals and en

### A) Total Number of Complaints and Dispositions

The complaints received typically involve unlicensed activities, alleged fraudulent activities by licensees, assistance with mortgage issues, and investment failures. Below is a chart that summarizes the number of complaints received by the Department over the last two years. The chart below illustrates the continued increase in the number of complaints received by the Department. A case maybe opened based on the initial review of the complaint. The number of complaints that did not result in the opening of a case has remained constant, while the number of complaints resulting in a case has decreased. This is primarily due to the Department's efforts as a mediator between the consumer and the licensee. If the Department can work with both the consumer and the licensee to resolve the complaint, the complaint is closed and no case is open provided there has not been a violation of law. If there has been a violation of a law, then a case may be opened.

The actions taken include 77 administrative actions, 81 desist and refrain orders, and 2 civil actions filed with the court. In addition, there were 24 cases that were referred to prosecutorial offices for possible criminal action. Also, the Department assisted in several multi-state cases involving the failure of auction rate securities that resulted in restitution to California consumers.

| <b>Department<br/>Total</b>                                       | Aug. 1, 2007 –<br>Jan. 31, 2008 | Feb. 1, 2008 –<br>Jul. 31, 2008 | Aug. 1, 2008 –<br>Jan. 31, 2009 | Feb. 1, 2009 –<br>Jul. 31, 2009 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Complaints<br/>Received</b>                                    | 1364                            | 1636                            | 1,410                           | 1,832                           |
| <b>Complaints<br/>Resolved<br/>Without<br/>Opening a<br/>Case</b> | 1291                            | 1302                            | 1,222                           | 1,267                           |
| <b>Complaints<br/>Resulting in<br/>Open Cases</b>                 | 204                             | 253                             | 184                             | 135                             |
| <b>Total<br/>Actions</b>  | 238                             | 290                             | 268                             | 184                             |

## 1) Enforcement (ENF) Division Complaints

The chart below details the complaints received by the Enforcement Division. “Complaints” for the Enforcement Division include public complaints, referrals from other divisions within the Department, referrals from other state and federal entities, and referrals from self-regulatory agencies such as the Financial Industry Regulatory Authority (FINRA) and the National Futures Association (NFA). Many complaints that come to the Department and the Enforcement Division are with regard to a matter that is already an open case and is under investigation. Those complaints are not counted as either “Complaints Resolved Without Opening a Case” or “Complaints Resulting in Open Cases.” The increase in the number of complaints received has significantly increased the caseload, resulting in longer processing time to bring a public action. A number of complaints involve cases that were already opened, adjudicated, referred to other agencies, or were not within the Department’s jurisdiction. **See Appendix for a list of enforcement actions.**

The nature of the complaints received involves primarily foreclosures and investment failures. The Enforcement Division has been involved in multistate investigation and prosecution of investment failures, such as the auction rate securities (ARS). For example, when the ARS market failed in February 2008, the Department received many complaints that the consumer was misled about the level of risk of the ARS and the consumer, in fact, was told that the ARS was “just like cash.”

| ENF  | Aug. 1, 2007 – Jan. 31, 2008 | Feb. 1, 2008 – Jul. 31, 2008 | Aug. 1, 2008 – Jan. 31, 2009 | Feb. 1, 2009 – Jul. 31, 2009 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Complaints Received</b>                       | 426                          | 1197                         | 650                          | 1587                         |
| <b>Complaints Resolved Without Investigation</b> | 29                           | 106                          | 165                          | 370                          |
| <b>Complaints Resulting in Open Cases</b>        | 204                          | 545                          | 184                          | 319                          |
| <b>ENF Actions</b>                               | 238                          | 528                          | 268                          | 452                          |

## 2) Financial Services Division (FSD)

### a) Complaint Totals

The chart illustrates the continued increase in the number of complaints received by FSD. Most of the complaints are resolved through FSD efforts to work with both the complainant and the licensee. Their most common efforts involve contacting the mortgagor and requesting that they review the loan file of the consumer that filed a complaint and that the mortgagor work directly with the consumer to resolve the issue. If they can resolve the issue between the two parties and there is no violation of law, the complaint is closed without opening a case. Most of the complaints received involved foreclosure or an inability to work with the lender in a possible foreclosure situation.

| <b>FSD</b>   | Aug. 1, 2007 –<br>Jan. 31, 2008 | Feb. 1, 2008 –<br>Jul. 31, 2008 | Aug. 1, 2008 –<br>Jan. 31, 2009 | Feb. 1, 2009 –<br>Jul. 31, 2009 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Complaints<br/>Received</b>                               | 776                             | 638                             | 559                             | 809                             |
| <b>Complaints<br/>Resolved<br/>Without<br/>Investigation</b> | 535                             | 628                             | 799                             | 996                             |
| <b>Complaints<br/>Resulting in<br/>Open Cases</b>            | 0                               | 14                              | 0                               | 0                               |

**b) Detail of Complaints for the period of February 1, 2009 through July 31, 2009.**

The chart in this section illustrate that most of the actions taken involve licensees under the California Finance Lender Law (CFL), the California Residential Mortgage Lenders Act (CRMLA), and the Escrow Law. This is consistent with the current economic down turn in the real estate industry. The Department anticipates that this will continue until the economy recovers. **See Appendix 1 for a list of actions taken by the Department.**

“Complaints” for the Financial Services Division (FSD) include written complaints from consumers and actions taken directly by the division. FSD actions include Orders to Summarily Revoke a License, Orders to Discontinue Activities and Notices of Intent to Issue Orders. Only those Summary Revocation Orders that went into effect are counted. In addition, the number of complaints resolved may include complaints received in prior periods.

| FSD Consumer Complaints                    |     |       |       |        |       |       |
|--|-----|-------|-------|--------|-------|-------|
| Type of Complaint                          | CFL | CRMLA | CDDTL | Escrow | Misc. | Total |
| Complaints Received                        | 139 | 462   | 21    | 89     | 98    | 809   |
| Complaints Resolved Without Opening a Case | 199 | 519   | 24    | 143    | 111   | 996   |
| Complaints Resulting in Open Cases         | 0   | 0     | 0     | 0      | 0     | 0     |

| Actions Taken by FSD |  |  |  |  |
|----------------------|--|--|--|--|
|                      | Actions Taken<br>Aug. 1, 2007 –<br>Jan. 31, 2008 | Actions Taken<br>Feb. 1, 2008 –<br>Jul. 31, 2008 | Actions Taken<br>Aug. 1, 2008 –<br>Jan. 31, 2009 | Actions Taken<br>Feb. 1, 2009 –<br>Jul. 31, 2009 |
| <b>CFL</b>           | 647  | 1,022  | 710  | 398  |
| <b>CRMLA</b>         | 150  | 101  | 81   | 21   |
| <b>CDDTL</b>         | 7  | 38   | 20   | 19   |
| <b>Escrow</b>        | 35   | 58   | 19   | 69   |
| <b>Misc.</b>         | 0  | 0  | 0  | 0  |
| <b>Total</b>         | 839  | 1,219  | 830  | 507  |

**CFL** - California Finance Lenders Law

**CRMLA** - California Residential Mortgage Lenders Act

**CDDTL** - California Deferred Deposit Transaction Law

**Escrow** - Escrow Law



One of the requirements of this report is to provide specific information regarding the California Deferred Deposit Transaction Law. Below is the information specifically requested in the 2007 Budget.

**c) California Deferred Deposit Transaction Law (CDDTL)  
Consumer complaint statistics**

There were 21 consumer complaints against CDDTL licensees from February 1, 2009 to July 31, 2009, which is a decrease from last period's 24 complaints. All of these complaints were resolved through the regulatory process.

**d) California Deferred Deposit Transaction Law (CDDTL) Order to Revoke License for  
Failure to maintain surety bond**

There were 5 Revocation Orders pursuant to the CDDTL for failure to maintain a surety bond. The orders were filed 90 days after the original notice of violation. In the prior period there were three Revocation Orders.

**e) California Deferred Deposit Transaction Law (CDDTL) Orders to Desist & Refrain  
from violations and citations**

There were 7 Desist and Refrain Orders pursuant to the CDDTL for violations of the law. All orders occurred within one day of the discovery of the violation.

**f) California Deferred Deposit Transaction Law (CDDTL) Orders to Revoke License for  
Failure to file annual report.**

There were 7 Revocation Orders pursuant to the CDDTL for failure to file the annual report. All orders occurred within 43 days after the original notice of violation.

### 3) Securities Regulation Division (SRD)

#### a) Complaint Totals

The chart below illustrates that the number of complaints received by SRD has remained fairly consistent, with a slight trend downward. Most of the complaints received by SRD involve the failure of an investment and the belief by the consumer that the investment instrument was relatively safe. Consumers believed or were led to believe that an investment was “safe” or had minimal risk. When the economy turned down, many consumers lost monies that they believed were safe. The Department expects this trend to continue until economic conditions improve.

| <b>SRD</b>  | Aug. 1, 2007 –<br>Jan. 31, 2008 | Feb. 1, 2008 –<br>Jul. 31, 2008 | Aug. 1, 2008 –<br>Jan. 31, 2009 | Feb. 1, 2009 –<br>Jul. 31, 2009 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Complaints<br/>Received</b>                                    | 98                              | 105                             | 114                             | 86                              |
| <b>Complaints<br/>Resolved<br/>Without<br/>Opening A<br/>Case</b> | 75                              | 79                              | 68                              | 66                              |
| <b>Total<br/>Complaints<br/>Resulting in<br/>Open Cases</b>       | 9                               | 29                              | 0                               | 8                               |

**b) Detail of Complaints**

This section provides the number of complaints received by SRD. The number complaints received regarding licensees under the Securities/Corporate Finance Law has trended downward. However, the number of complaints under the Broker Dealer/Investment Adviser Laws has held constant. This is not unexpected because most of the complaints received by the Department in this area concern the consumer's belief that the investment instrument was relatively safe and that it was unlikely that the consumer would lose monies. The consumer often alleges that the licensee did not properly disclose the risk of investment instrument.

**Securities/Corporate Finance Complaints:**

| <b>SRD</b>  | Aug. 1, 2007–<br>Jan. 31, 2008 | Feb. 1, 2008–<br>Jul. 31, 2008 | Aug. 1, 2008–<br>Jan. 31, 2009 | Feb. 1, 2009–<br>Jul. 31, 2009 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Complaints Received</b>                        | 26                             | 31                             | 11                             | 15                             |
| <b>Complaints Resolved Without Opening A Case</b> | 4                              | 4                              | 5                              | 7                              |
| <b>Total Complaints Resulting in Open Cases</b>   | 4                              | 16                             | 6                              | 8                              |

**Broker Dealer/Investment Adviser Complaints:**

| <b>SRD</b>  | Aug. 1, 2007–<br>Jan. 31, 2008 | Feb. 1, 2008–<br>Jul. 31, 2008 | Aug. 1, 2008–<br>Jan. 31, 2009 | Feb. 1, 2009–<br>Jul. 31, 2009 |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Complaints Received</b>                        | 72                             | 74                             | 103                            | 71                             |
| <b>Complaints Resolved Without Opening A Case</b> | 71                             | 75                             | 63                             | 59                             |
| <b>Total Complaints Resulting in Open Cases</b>   | 5                              | 13                             | 0                              | 0                              |

\*The change in the period is due to a large number of complaints received against two licensees in the prior reporting period.

For the current period cases not resolved or resulting in an open enforcement case are still under review pending a determination of the appropriate action.



# Section III

## Number of Complaints Rejected Due to Staffing Constraints

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During the period of February 1, 2009 through July 31, 2009, there were no complaints rejected due to staffing constraints. This is consistent with the prior periods where no complaints were rejected for that reason.



## Section IV

**Average Time to Take a Public Action for the period of February 1, 2009 through July 31, 2009.**

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The average amount of time to take a public action against a licensee continues to increase. The increase time is the result of several factors which include an increase in the number of complaints received, increased attorney caseload, increase complexity of investment transactions, and increase participation in multi-jurisdictional cases.

**Appendix 1 provides a list of actions taken by the Department and Appendix 2 provides the amount of restitution received by California consumers due to the enforcement actions taken.**

|  | Aug. 1, 2007 –<br>Jan. 31, 2008 | Feb. 1, 2008 –<br>Jul. 31, 2008 | Aug. 1, 2008 –<br>Jan. 31, 2009 | Feb. 1, 2009 –<br>Jul. 31, 2009 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Total Cases<br/>Where Public<br/>Actions Were<br/>Taken</b> | 177                             | 196                             | 191                             | 135                             |
| <b>Average Days<br/>to Take Action</b>                         | 125                             | 149                             | 161                             | 199                             |



# Section V

## Amount of Consumer Restitution and Penalty and Fine Revenue Resulting from Enforcement Actions

### A) Summary of Total Fines, Penalties and Consumer Restitution for the period of February 1, 2009 through July 31, 2009.

This section provides the total amount of consumer restitution and fines and penalties as a result of the enforcement actions taken by the Department. There is often a delay between when an order to pay is issued and when the Department actually receives the funds or when the funds are distributed to the consumer. As a result, the amount of funds ordered may include amounts ordered in one period, but the funds were received in a different reporting period.

The chart illustrates that these types of revenues vary from one period to another based on the completion of a case. The large amount of restitution received in the current reporting period was a result of settlement multiple cases involving auction rate securities. Appendix 2 provides a list of all penalties and fines collected by the Department.

|  | Aug. 1, 2007–<br>Jan. 31, 2008 | Feb. 1, 2008–<br>Jul. 31, 2008 | Aug. 1, 2008–<br>Jan. 31, 2009 | Feb. 1, 2009–<br>Jul. 31, 2009 |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Total<br/>Restitution<br/>Ordered</b>             | \$0                            | \$27,984,026                   | \$11,485,508                   | \$4,768,230,758                |
| <b>Total<br/>Restitution<br/>Received</b>            | \$49,469,174                   | \$63,422                       | \$203,646                      | \$4,768,029,303                |
| <b>Total<br/>Penalties or<br/>Fines<br/>Ordered</b>  | \$1,482,160                    | \$2,208,407                    | \$13,385,011                   | \$23,530,978                   |
| <b>Total<br/>Penalties or<br/>Fines<br/>Received</b> | \$1,339,538                    | \$1,425,218                    | \$3,183,893                    | \$22,831,093                   |

### B) Detail of Fines, Penalties and Consumer Restitution for the period of February 1, 2009 through July 31, 2009.

See Appendix 2 for a listing of penalties, fines, and restitution during the period of Feb. 1, 2009 through July 31, 2009.



# Section VI

## Number and Nature of Enforcement Actions Taken Related to the California Deferred Deposit Transaction Law, Including Actions Taken Pursuant to California Financial Code

- A. Section 23058
- B. Section 23052
- C. Section 23051
- D. Section 23060
- E. Section 23050

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### A) Citations Issued Pursuant to Financial Code Section 23058 for the period from February 1, 2009 through July 31, 2009.

Includes citations listed in Section VII entitled, "Migration of Enforcement Techniques into the Examination Process"

|                            | Aug. 1, 2007 –<br>Jan. 31, 2008 | Feb. 1, 2008 –<br>Jul. 31, 2008 | Aug. 1, 2008 –<br>Jan. 31, 2009 | Feb. 1, 2009 –<br>Jul. 31, 2009 |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Total<br/>Citations</b> | 661                             | 163                             | *9,861                          | 319                             |

\* The change was due to 9,299 citations issued in four cases in the prior period.

| Number of Citations Issued Pursuant to Section 23058 | Description of Violation  |
|--|---|
| 5  | Engaging in deferred deposit transaction business without a license under the California Deferred Deposit Transaction Law   |
| 1  | Acting as an agent for a deferred deposit originator without a license under the California Deferred Deposit Transaction Law  |
| 3  | Licensee failed to post license in conspicuous view of the public   |
| 1  | Licensee failed to conduct business under name authorized in license  |
| 3  | Licensee failed to post notice with one or more of the required disclosures in conspicuous view of the public at the licensed location and/or the notice was in letters less than 1/2 inch in height                        |
| 6  | Licensee failed to provide notice with one or more of the required disclosures to customers prior to entering into deferred deposit transactions  |
| 6  | Written agreement failed to contain one or more of the required disclosures   |
| 1  | Advertisement failed to contain licensure disclosure  |
| 2  | Licensee failed to maintain records demonstrating minimum net worth of \$25,000, including quarterly unaudited balance sheets   |
| 1  | Licensee failed to maintain sufficient books and records that would allow the Commissioner to determine if the licensee is in compliance with the California Deferred Deposit Transaction Law and its rules and regulations |
| 267  | Licensee charged customers fees exceeding the amounts authorized under the California Deferred Deposit Transaction Law  |
| 20   | Licensee charged customers fees for extending the due dates of the loans  |
| 1  | Licensee failed to maintain minimum net worth of \$25,000   |
| 2  | Licensee failed to maintain evidence of customer's check  |



**B) Revocations/Suspensions Made Pursuant to Financial Code Section 23052 for the period from February 1, 2009 through July 31, 2009.**

|                                      | Aug. 1, 2007 – Jan. 31, 2008 | Feb. 1, 2008 – Jul. 31, 2008 | Aug. 1, 2008 – Jan. 31, 2009 | Feb. 1, 2009 – Jul. 31, 2009 |
|--------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Total Revocations/Suspensions</b> | 62                           | 7                            | 6                            | 14                           |

| <b>Number of Revocations or Suspensions</b> | <b>Description of Violation</b> |
|---|---------------------------------|
| 5   | Failure to maintain surety bond |
| 8   | Failure to file annual report   |
| 1   | Failure to pay citations        |
| <b>14</b>                                   | <b>Total</b>                    |

**C) Civil Actions Taken Pursuant to Financial Code Section 23051 for the period of February 1, 2009 through July 31, 2009.**

|                                | Aug. 1, 2007 – Jan. 31, 2008 | Feb. 1, 2008 – Jul. 31, 2008  | Aug. 1, 2008 – Jan. 31, 2009 | Feb. 1, 2009 – Jul. 31, 2009 |
|--------------------------------|------------------------------|---|------------------------------|------------------------------|
| <b>Number of Civil Actions</b> | 0                            | 1   | 0                            | 0                            |
| <b>Basis of Action</b>         | N/A                          | Failure to comply with Desist and Refrain order previously issued, violations of the CDDTL. | N/A                          | N/A                          |

**D) Contracts Voided because of Overcharge Pursuant to Financial Code Section 23060 for the period from February 1, 2009 through July 31, 2009.**

|  | Aug. 1, 2007 –<br>Jan. 31, 2008 | Feb. 1, 2008 –<br>Jul. 31, 2008 | Aug. 1, 2008 –<br>Jan. 31, 2009 | Feb. 1, 2009 –<br>Jul. 31, 2009 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Total<br/>Number<br/>Of<br/>Contracts<br/>Voided</b>    | 1,950                           | 1,149                           | 3,683                           | 720                             |
| <b>Total Dollar<br/>Amount of<br/>Voided<br/>Contracts</b> | \$200,931                       | \$242,847                       | \$1,145,977                     | \$200,286                       |

\* The change is due to actions involving three licensees with a large volume of transactions being voided during the prior period.

**Contracts Voided because of Overcharge:**

| <b>Number of Transactions Voided</b> | <b>Description of Violation</b>   |
|--------------------------------------|---|
| 295                                  | Licensee charged customers illegal fees for extending dues dates of loans                                   |
| 234                                  | Licensee charged customers illegal fees and charges   |
| 16                                   | Licensee charged customers excess NSF Fees  |
| 148                                  | Loans originated without a license  |
| 27                                   | Licensee charged customers illegal fees for extending due dates of loans and charged illegal extension fees |

**E) Desist and Refrain Orders Issued Pursuant to Financial Code Section 23050 for the period of February 1, 2009 through July 31, 2009.**

|  | Aug. 1, 2007 – Jan. 31, 2008 | Feb. 1, 2008 – Jul. 31, 2008 | Aug. 1, 2008 – Jan. 31, 2009 | Feb. 1, 2009 – Jul. 31, 2009 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Total Desist and Refrain Orders</b> | 8                            | 9                            | 22                           | 15                           |

| <b>Number of Desist and Refrain Orders</b> | <b>Description of Violation</b>   |
|--|---|
| 1  | Charged customers illegal fees for extending due date of loans  |
| 1  | Charged customers fees exceeding the amounts authorized under the California Deferred Deposit Transaction Law   |
| 1  | Charged customers illegal fees for extending due dates of loans, charged customers excess NSF fees and engaged in unlicensed deferred deposit transaction business  |
| 3  | Engaged in unlicensed deferred deposit transaction business over the Internet   |
| 3  | Engaged in unlicensed deferred deposit transaction business   |
| 1  | Failed to post license in licensed location, failed to conduct business in name authorized in license, failed to post required notice in conspicuous view of the public, failed to distribute notice with required disclosures to customers prior to entering into deferred deposit transactions, failed to include in agreement all required disclosures and failed to maintain records demonstrating compliance with net worth requirements |
| 1  | Failed to distribute notices to customers with all required disclosures prior to entering into deferred deposit transactions and written agreement failed to contain all required disclosures   |

| Number of Desist and Refrain Orders | Description of Violation   |
|-------------------------------------|--|
| 1                                   | Failed to post notice with required disclosures in conspicuous view of the public, failed to distribute notices to customers with all required disclosures prior to entering into deferred deposit transactions, written agreement failed to contain all required disclosures, failed to maintain records demonstrating compliance with net worth requirements and failed to maintain all required records, including agreements and evidence of check   |
| 1                                   | Collected amounts in excess of the loan amount disclosed in the agreements, engaged in misleading and deceptive business practice (failed to honor rescission clause contained in agreements), charged customers NSF fees on checks not returned by the bank and engaged in unlicensed deferred deposit transaction business.  |
| 1                                   | Charged customers fees for extending due dates of loan and charged late fees, engaged in deferred deposit transaction business without license, failed to include required disclosures in Agreement, failed to provide required notice to customers prior to entering into deferred deposit transactions, failed to post notice with required disclosures in conspicuous view of the public, failed to post license in conspicuous view of the public, and failed to obtain customer's checks. |
| 1                                   | Failed to post license in conspicuous view of the public, failed to include required disclosures in Agreement, failed to provide required notice to customers prior to entering into deferred deposit transactions, failed to obtain customer's checks, and failed to meet minimum net worth of \$25,000.  |



# Section VII

## Information Regarding the Migration of Enforcement Techniques into the California Deferred Deposit Transaction Law Examination Process

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### California Deferred Deposit Transaction Law

#### Migration of Enforcement Techniques into the Examination Process for the period of February 1, 2009 through July 31, 2009.

In order to provide quicker response to licensee violations identified during examinations, the Department began using its authority under Financial Code Section 23058 to issue citations as part of the examination process. This practice was made part of the examination protocol starting in June 2007.

|  | Aug. 1, 2007 –<br>Jan. 31, 2008 | Feb. 1, 2008 –<br>Jul. 31, 2008 | Aug. 1, 2008 –<br>Jan. 31, 2009 | Feb. 1, 2009 –<br>Jul. 31, 2009 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Total Number of<br/>Citations Issued<br/>as Part of the<br/>Examination<br/>Process</b> | 61                              | 92                              | 42                              | 25                              |

\* Change from last report is due to increased compliance by licensees found during regulatory examinations.

| Number of Citations Issued | Description of Violation  |
|----------------------------|---|
| 3                          | Engaging in deferred deposit transaction business without a license under the California Deferred Deposit Transaction Law   |
| 1                          | Acting as an agent for a deferred deposit originator with out a license under the California Deferred Deposit Transaction Law   |
| 2                          | Licensee failed to post license in conspicuous view of the public   |
| 1                          | Licensee failed to conduct business under name authorized in license  |
| 2                          | Licensee failed to post notice with one or more of the required disclosures in conspicuous view of the public at the licensed location and/or the notice was in letters less than 1/2 inch in height                        |
| 5                          | Licensee failed to provide notice with one or more of the required disclosures to customers prior to entering into deferred deposit transactions  |
| 5                          | Written agreement failed to contain one or more of the required disclosures   |
| 1                          | Advertisement failed to contain licensure disclosure  |
| 2                          | Licensee failed to maintain records demonstrating minimum net worth of \$25,000, including quarterly unaudited balance sheets   |
| 1                          | Licensee failed to maintain sufficient books and records that would allow the Commissioner to determine if the licensee is in compliance with the California Deferred Deposit Transaction Law and its rules and regulations |
| 1                          | Licensee failed to meet minimum net worth requirements of \$25,000  |
| 1                          | Licensee failed to maintain evidence of customers' checks   |

## Appendix 1: Enforcement Actions

| Enforcement Desist & Refrain Cases                            |                     |                |      |
|---|---------------------|----------------|------|
| Public Action   | Notice of Violation | Date of Action | Days |
| Bel Air Trust (D&R)   | 12/30/2008          | 2/3/2009       | 36   |
| Nick Holguin (D&R)  | 12/17/2008          | 2/3/2009       | 49   |
| Bus Co-op (D&R)   | 8/25/2008           | 2/4/2009       | 164  |
| VLD Realty (D&R)  | 10/31/2008          | 2/9/2009       | 102  |
| CanAm Capital (D&R)   | 10/24/2007          | 2/11/2009      | 477  |
| Investco Management (D&R)                                     | 8/7/2007            | 2/18/2009      | 562  |
| Beyond Juice (D&R)  | 11/7/2008           | 2/23/2009      | 109  |
| Socal First Funding Group (D&R)                               | 9/3/2008            | 2/23/2009      | 174  |
| Ryms Financial Services (D&R)                                 | 12/9/2008           | 2/18/2009      | 72   |
| TIGS Enterprises (D&R)  | 7/16/2008           | 2/19/2009      | 219  |
| Advance America, Cash Advance Centers of California LLC (D&R) | 2/23/2009           | 2/23/2009      | 1    |
| Norstar Cash (D&R)  | 1/8/2009            | 2/27/2009      | 51   |
| Shamitoff Industries (D&R)                                    | 12/4/2008           | 2/17/2009      | 76   |
| Da-Vi Nails International (D&R)                               | 2/6/2008            | 2/25/2009      | 386  |
| Blue Chip Financial (D&R)                                     | 1/22/2009           | 2/23/2009      | 33   |
| CoActive Capital Partners LLC (D&R)                           | 6/11/2008           | 2/27/2009      | 262  |
| National Buillon Investors (D&R)                              | 1/8/2009            | 2/27/2009      | 51   |
| Wachovia Securities, LLC (D&R)                                | 5/1/2008            | 3/9/2009       | 313  |
| EurOrient Financial Group (D&R)                               | 1/14/2009           | 3/23/2009      | 69   |
| Citigroup Global Markets (D&R)                                | 4/25/2008           | 3/19/2009      | 329  |
| Shannon Rodriguez (D&R)                                       | 3/1/2009            | 3/20/2009      | 20   |
| Venegas & Associates (D&R)                                    | 10/24/2008          | 3/24/2009      | 152  |
| Horizon Financial (D&R)                                       | 3/26/2008           | 3/24/2009      | 364  |
| Majestic Sunset Playa (D&R)                                   | 9/16/2008           | 3/25/2009      | 191  |
| Red Water Films, LLC (D&R)                                    | 12/3/2007           | 3/24/2009      | 478  |
| Dennis Lipson (D&R)   | 10/24/2008          | 3/25/2009      | 153  |
| Butterfly Fitness (D&R)                                       | 9/8/2008            | 3/24/2009      | 198  |
| Government Employees Credit Center (D&R)                      | 12/22/2008          | 3/9/2009       | 78   |
| PaydayTrustOnline.com (D&R)                                   | 1/8/2009            | 3/3/2009       | 55   |
| California Escrow Service (D&R)                               | 8/26/2008           | 3/18/2009      | 205  |
| 2nd Chance Negotiations, Inc. (D&R)                           | 3/23/2009           | 3/24/2009      | 2    |
| Gigapix Studios (D&R)   | 1/24/2008           | 4/8/2009       | 441  |
| Douglas George (D&R)  | 3/16/2009           | 4/6/2009       | 22   |
| New Phase Group (D&R)   | 12/24/2008          | 4/1/2009       | 99   |
| Cineteeth Films (D&R)   | 3/13/2007           | 4/2/2009       | 752  |
| Children Family Films (D&R)                                   | 6/6/2007            | 4/1/2009       | 666  |
| Turan Petroleum (D&R)   | 10/7/2008           | 4/10/2009      | 186  |
| Momentum Plus (D&R)   | 4/19/2007           | 4/13/2009      | 726  |
| U.S. West LLC (D&R)   | 4/24/2008           | 4/19/2009      | 361  |

| Enforcement Desist & Refrain Cases               |                     |                |      |
|--|---------------------|----------------|------|
| Public Action                                    | Notice of Violation | Date of Action | Days |
| Karis Brokerage (D&R)                            | 10/10/2008          | 4/15/2009      | 188  |
| Sean Andre Johnson (D&R)                         | 5/22/2007           | 4/27/2009      | 707  |
| Catapult Consulting Associates (D&R)             | 3/30/2007           | 4/30/2009      | 763  |
| Play N Trade (D&R)                               | 4/24/2008           | 4/14/2009      | 356  |
| Yakety Yak Wireless (D&R)                        | 11/20/2007          | 4/14/2009      | 512  |
| www.onestepcash.com (D&R)                        | 10/21/2008          | 4/8/2009       | 170  |
| Banc of America Investments (D&R)                | 5/12/2008           | 5/27/2009      | 381  |
| National Trust Group (D&R)                       | 3/10/2008           | 5/20/2009      | 437  |
| IU Investments (D&R)                             | 4/15/2009           | 5/19/2009      | 35   |
| Future Investments (D&R)                         | 4/6/2009            | 5/18/2009      | 43   |
| Rosenau Investments (D&R)                        | 3/5/2009            | 5/11/2009      | 68   |
| Michael Donaldson (D&R)                          | 1/2/2009            | 5/8/2009       | 127  |
| Encore Pacific Managers (D&R)                    | 9/3/2008            | 5/5/2009       | 245  |
| Vergence Entertainment (D&R)                     | 8/1/2008            | 5/11/2009      | 284  |
| S3 Partners (D&R)                                | 8/27/2008           | 5/11/2009      | 258  |
| Clear Vision Media (D&R)                         | 2/1/2008            | 5/5/2009       | 460  |
| Vericorp (D&R)                                   | 4/1/2009            | 5/28/2009      | 58   |
| Decata Enterprise (D&R)                          | 4/7/2009            | 5/27/2009      | 51   |
| Ben-Wal Leasing (D&R)                            | 8/12/2008           | 5/6/2009       | 268  |
| C.C.B. Testing (D&R)                             | 12/31/2008          | 5/8/2009       | 129  |
| Lunden Investments (D&R)                         | 3/25/2009           | 5/12/2009      | 49   |
| US Military Lending (D&R)                        | 2/18/2009           | 5/5/2009       | 77   |
| A Plus Financial (D&R)                           | 3/19/2009           | 5/14/2009      | 57   |
| Towns Consolidated (D&R)                         | 10/20/2008          | 6/1/2009       | 225  |
| Kyle Hara (D&R)                                  | 12/29/2008          | 6/15/2009      | 169  |
| HL Leasing (D&R)                                 | 5/14/2009           | 6/18/2009      | 36   |
| R&R Professionals (D&R)                          | 12/23/2008          | 6/16/2009      | 176  |
| Sticking Together Athletes (D&R)                 | 6/6/2008            | 6/25/2009      | 385  |
| Merrill Lynch (D&R)                              | 7/10/2008           | 6/26/2009      | 352  |
| S4 Group, LLC (D&R)                              | 4/16/2009           | 6/24/2009      | 70   |
| PRS Franchise System (D&R)                       | 4/25/2008           | 6/1/2009       | 403  |
| Malcolm Felix DBA First American Financial (D&R) | 6/10/2009           | 6/17/2009      | 8    |
| World Venture Funding (D&R)                      | 11/18/2008          | 7/21/2009      | 246  |
| Salvador Holdings International (D&R)            | 12/30/2008          | 7/21/2009      | 204  |
| Stanley Chais (D&R)                              | 4/14/2009           | 7/1/2009       | 79   |
| Westfina Financial Group (D&R)                   | 8/7/2007            | 7/21/2009      | 715  |
| Pinupitu (D&R)                                   | 3/18/2009           | 7/21/2009      | 126  |
| Pure Barre Licensing (D&R)                       | 2/5/2009            | 7/9/2009       | 155  |
| Spray-On Builders (D&R)                          | 7/24/2008           | 7/21/2009      | 363  |
| MMG Holdings (D&R)                               | 6/23/2009           | 7/29/2009      | 37   |
| Providence Financial Group (D&R)                 | 6/12/2009           | 7/6/2009       | 25   |
| Order Express, Inc. (D&R)                        | 5/6/2009            | 7/21/2009      | 77   |



| Enforcement Civil Injunction Cases |                     |                |      |
|------------------------------------|---------------------|----------------|------|
| Public Action                      | Notice of Violation | Date of Action | Days |
| West Escrow, Inc. (Civil Action)   | 11/17/2008          | 4/17/2009      | 152  |
| Rome Finance (Civil Action)        | 3/18/2008           | 3/13/2009      | 361  |

| Enforcement CRMLA Cases                                 |                     |                |      |
|---|---------------------|----------------|------|
| Public Action   | Notice of Violation | Date of Action | Days |
| American Home Mortgage Servicing (Revocation Orders)    | 10/31/2008          | 2/17/2009      | 110  |
| Premiere Mortgage (Revocation Orders)                   | 1/26/2009           | 3/10/2009      | 44   |
| Mac One Investments (Revocation Actions)                | 10/22/2008          | 4/9/2009       | 170  |
| Fieldstone Mortgage (Revocation Actions)                | 4/16/2009           | 5/22/2009      | 37   |
| Novastar Mortgage (Revocation Actions, Orders)          | 4/6/2009            | 5/6/2009       | 31   |
| Amerigroup Mortgage (Petition for Reinstatement)        | 5/19/2009           | 5/21/2009      | 3    |
| Southern Star Mortgage Corporation (Revocation Actions) | 3/18/2009           | 6/15/2009      | 90   |
| Redwood Financial (Revocation Action)                   | 6/1/2009            | 6/17/2009      | 17   |
| WMC Mortgage Corporation (Revocation Actions)           | 6/30/2009           | 7/9/2009       | 10   |
| Amerigroup Mortgage Corp (Orders)                       | 5/19/2009           | 7/21/2009      | 64   |
| Numerica Mortgage LLC (Petition for Reinstatement)      | 7/1/2009            | 7/9/2009       | 9    |

| Enforcement CFL Cases                          |                     |                |      |
|--|---------------------|----------------|------|
| Public Action                                  | Notice of Violation | Date of Action | Days |
| Sean R. Roberts (Bar Actions)                  | 1/29/2009           | 3/2/2009       | 33   |
| Charles Christiansen (Bar Actions)             | 1/29/2009           | 3/2/2009       | 33   |
| Rooven Akiba (Bar Actions)                     | 1/29/2009           | 3/2/2009       | 33   |
| A L G Capital (Revocation Orders)              | 4/16/2008           | 5/11/2009      | 391  |
| Sticking Together Athletes (Revocation Orders) | 6/6/2008            | 6/25/2009      | 385  |
| Michael Gest (Bar Actions)                     | 6/6/2008            | 6/25/2009      | 385  |
| Joanna Gest (Bar Actions)                      | 6/6/2008            | 6/25/2009      | 385  |

| Enforcement BD/IA Cases                    |                     |                |      |
|--|---------------------|----------------|------|
| Public Action                              | Notice of Violation | Date of Action | Days |
| Brookstreet Securities (Revocation Orders) | 7/30/2007           | 2/10/2009      | 562  |

| Enforcement DDTL Cases   |                     |                |      |
|--|---------------------|----------------|------|
| Public Action  | Notice of Violation | Date of Action | Days |
| Ryms Financial Services (Citation, Order Voiding Transactions)                                 | 12/9/2008           | 2/18/2009      | 72   |
| TIGS Enterprises (Citation, Order Voiding Transactions)  | 7/16/2008           | 2/19/2009      | 219  |
| Advance America, Cash Advance Centers of California LLC (Citation, Order Voiding Transactions) | 2/23/2009           | 2/23/2009      | 1    |
| Nadia Haddad dba Cash It Quick (Revocation Order)  | 1/31/2008           | 2/28/2009      | 395  |
| Max4Money, Inc. (Revocation Order )  | 2/24/2009           | 3/11/2009      | 16   |
| Joseph Hubbard DBA Cash Til Payday (Revocation Order, Revocation Action)                       | 1/31/2008           | 4/15/2009      | 441  |
| A Plus Financial (Citation, Order Voiding Transactions)  | 3/19/2009           | 5/18/2009      | 61   |
| Order Express, Inc. (Citation, Voiding Transactions)   | 5/6/2009            | 7/21/2009      | 77   |

| Enforcement DDTL Cases                              |                     |                |      |
|---|---------------------|----------------|------|
| Public Action                                       | Notice of Violation | Date of Action | Days |
| Sisak Misirian dba Thrifty Check (Revocation Order) | 7/17/2008           | 7/27/2009      | 376  |

| Enforcement Escrow Cases   |                     |                |      |
|--|---------------------|----------------|------|
| Public Action  | Notice of Violation | Date of Action | Days |
| Abbie Escrow (Revocation Orders)   | 11/6/2008           | 2/4/2009       | 91   |
| Premiere Transactions Escrow (Revocation Orders)   | 8/25/2008           | 2/19/2009      | 179  |
| Theresa Madden (Bar Order)   | 8/25/2008           | 2/19/2009      | 179  |
| Tina Davy (Bar Order)  | 11/20/2007          | 3/12/2009      | 479  |
| West Escrow (Escrow Order)   | 11/17/2008          | 3/19/2009      | 123  |
| Infinite Escrow (Revocation Action, Revocation Orders)   | 3/19/2009           | 4/7/2009       | 20   |
| Cooper's Escrow (Suspension Orders)  | 9/10/2008           | 4/8/2009       | 211  |
| Star Escrow (Order Appointing Conservator, Revocation Actions, Order Taking Possession, Revocation Orders) | 3/17/2009           | 4/1/2009       | 16   |
| California Premier Escrow (Revocation Actions, Revocation Orders)  | 3/9/2009            | 6/4/2009       | 88   |
| Carole Worrell/Star Escrow (Bar Action, Bar Order)   | 3/17/2009           | 6/4/2009       | 80   |
| Elisa Worrell/ Star Escrow (Bar Action, Suspension Orders, Bar Order)                                      | 3/17/2009           | 6/4/2009       | 80   |
| Maria Gomez/Star Escrow (Bar Action, Suspension Orders, Bar Order)   | 3/17/2009           | 6/4/2009       | 80   |
| Gina Simnowski (Bar Reinstatement Action)  | 5/27/2009           | 5/28/2009      | 2    |
| Dependable Escrow (Order to Discontinue, Order Appointing Conservator, Order Taking Possession)            | 9/10/2008           | 5/27/2009      | 260  |
| Escrow Nation (Revocation Action)  | 6/17/2009           | 7/22/2009      | 36   |
| The Escrow People (Revocation Action)  | 6/30/2009           | 7/8/2009       | 9    |
| Skyview Escrow (Revocation Orders)   | 9/12/2007           | 7/9/2009       | 667  |
| Channel 1 Escrow (Denial Action)   | 7/3/2009            | 7/28/2009      | 26   |
| Kenola Toney (Bar Action)  | 7/3/2009            | 7/28/2009      | 26   |
| Gina Simnowski (Bar Reinstatement Order)   | 5/27/2009           | 7/7/2009       | 42   |

| Enforcement FIL Cases  |                     |                |      |
|--|---------------------|----------------|------|
| Public Action  | Notice of Violation | Date of Action | Days |
| Shamitoff Industries (Citation)                                    | 12/4/2008           | 2/17/2009      | 76   |
| Play N Trade (Revocation, Orders, Denial Actions, Citation)        | 4/24/2008           | 4/14/2009      | 356  |
| Yakety Yak Wireless (Revocation, Orders, Denial Actions, Citation) | 11/20/2007          | 4/14/2009      | 512  |
| PRS Franchise System (Citation)                                    | 6/10/2009           | 6/17/2009      | 8    |

| Enforcement CSL Cases                 |                     |                |      |
|---------------------------------------|---------------------|----------------|------|
| Public Action                         | Notice of Violation | Date of Action | Days |
| Value Home Loan (Revocation Orders)   | 7/23/2008           | 6/18/2009      | 331  |
| Airserts Corporation (Denial Actions) | 4/28/2009           | 7/21/2009      | 85   |

| FSD CFLL Revocation Orders Issued For Failure To Maintain A Surety Bond* |                     |                |      |
|--|---------------------|----------------|------|
| Public Action  | Notice of Violation | Date of Action | Days |
| Arizona Loan Center, Inc.  | 01/07/09            | 02/02/09       | 27   |
| Bruce Schragin   | 01/14/09            | 02/03/09       | 21   |
| Capitol Investment Group, Inc.   | 01/14/09            | 02/03/09       | 21   |
| Everyloan Financial Corporation  | 01/14/09            | 02/03/09       | 21   |
| Mission Valley Mortgage  | 01/14/09            | 02/03/09       | 21   |
| Kierland Mortgage Group, Inc.  | 01/14/09            | 02/09/09       | 27   |
| Michael G. Pagani  | 01/21/09            | 02/10/09       | 21   |
| New Capital Mortgage, Pacific First Mortgage                             | 01/21/09            | 02/10/09       | 21   |
| Signature Lending Corporation  | 01/21/09            | 02/10/09       | 21   |
| Stonecrest Mortgage, Inc.  | 01/21/09            | 02/10/09       | 21   |
| Westside Diagnostic Radiology Medical Group                              | 01/21/09            | 02/10/09       | 21   |
| Harmak Mortgage Group  | 01/28/09            | 02/17/09       | 21   |
| Montana Home Loans   | 01/28/09            | 02/17/09       | 21   |
| Amc Home Loans, Inc.   | 01/28/09            | 02/22/09       | 26   |
| American Mortgage Funding Group, Inc.                                    | 01/28/09            | 02/22/09       | 26   |
| American Spirit Mortgages, Inc.  | 01/28/09            | 02/22/09       | 26   |
| United Capital Financial, L.L.C.   | 01/28/09            | 02/22/09       | 26   |
| Ar Home Loans Inc.   | 02/04/09            | 02/24/09       | 21   |
| Shai Magdish   | 02/04/09            | 02/24/09       | 21   |
| Cornerstone Realty & Funding Group, Inc.                                 | 02/11/09            | 03/03/09       | 21   |
| Hoylecohen Mortgage Fund I, LLC  | 02/11/09            | 03/03/09       | 21   |
| Matrix Real Estate & Investments   | 02/11/09            | 03/03/09       | 21   |

| <b>FSD CFLL Revocation Orders Issued For Failure To Maintain A Surety Bond*</b> |                            |                       |             |
|---|----------------------------|-----------------------|-------------|
| <b>Public Action</b>  | <b>Notice of Violation</b> | <b>Date of Action</b> | <b>Days</b> |
| Paradise Real Estate & Loans, Inc.  | 02/11/09                   | 03/03/09              | 21          |
| Prado Mortgage, Inc. (2 locations)  | 02/11/09                   | 03/03/09              | 21          |
| South Bay Mortgage Company  | 02/11/09                   | 03/03/09              | 21          |
| South East Financial Corporation  | 02/11/09                   | 03/03/09              | 21          |
| Express Loan America, Inc.  | 02/11/09                   | 03/09/09              | 27          |
| Indcap Independent Capital Inc.   | 02/11/09                   | 03/09/09              | 27          |
| Cadelpa, Inc.   | 02/19/09                   | 03/11/09              | 21          |
| California Capital And Investments Group  | 02/19/09                   | 03/11/09              | 21          |
| Citywide Mortgage Loan, Inc. (2 locations)                                      | 02/19/09                   | 03/11/09              | 21          |
| Liberty One Lending Incorporated (2 locations)                                  | 02/19/09                   | 03/11/09              | 21          |
| Moneyline Funding, Inc.   | 02/19/09                   | 03/11/09              | 21          |
| The Koffler Investor Group  | 02/19/09                   | 03/11/09              | 21          |
| Wall St. Mortgage, Inc.   | 02/19/09                   | 03/11/09              | 21          |
| Alma Financial Services   | 03/04/09                   | 03/24/09              | 21          |
| Anthony Russo   | 03/04/09                   | 03/24/09              | 21          |
| Crystal Financial Group, Inc.   | 03/04/09                   | 03/24/09              | 21          |
| David Brian Mitchell  | 03/04/09                   | 03/24/09              | 21          |
| Equity Financial Network, Inc.  | 03/04/09                   | 03/24/09              | 21          |
| Knight Lending Corporation  | 03/04/09                   | 03/24/09              | 21          |
| Merit Home Funding Inc.   | 03/04/09                   | 03/29/09              | 26          |
| Nxt Equities Incorporated   | 03/04/09                   | 03/24/09              | 21          |
| Oscarmac  | 03/04/09                   | 03/24/09              | 21          |
| Securities Equipment Leasing  | 03/04/09                   | 03/24/09              | 21          |
| Securitybanc Mortgage   | 03/04/09                   | 03/29/09              | 26          |
| Equity Group Financial  | 03/11/09                   | 03/31/09              | 21          |
| Home Loan Consultants, Inc. (3 locations)                                       | 03/11/09                   | 03/31/09              | 21          |
| J Dalton Mortgage   | 03/11/09                   | 03/31/09              | 21          |
| Millennium Realty Services  | 03/11/09                   | 03/31/09              | 21          |
| First Jersey Mortgage Services, Inc.  | 03/04/09                   | 03/29/09              | 26          |
| Tmtfc   | 03/11/09                   | 04/05/09              | 26          |
| Affordable Home Loans   | 03/19/09                   | 04/08/09              | 21          |
| First Option Lending  | 03/19/09                   | 04/08/09              | 21          |
| Front Line Finance, Inc.  | 03/19/09                   | 04/08/09              | 21          |
| My Financial Company (3 locations)  | 03/19/09                   | 04/13/09              | 26          |
| Steven Allen Hatch  | 03/19/09                   | 04/08/09              | 21          |
| Triduanum Financial Inc.  | 03/19/09                   | 04/08/09              | 21          |
| Zackery Childress   | 03/19/09                   | 04/08/09              | 21          |
| Barrow Inc.   | 04/08/09                   | 04/28/09              | 21          |
| Catalina Mortgage And Financial Services  | 04/08/09                   | 04/28/09              | 21          |
| Gigante Mortgage, Inc.  | 04/08/09                   | 04/28/09              | 21          |
| Janet Brown   | 04/08/09                   | 04/28/09              | 21          |
| Juniper Lending   | 04/08/09                   | 04/28/09              | 21          |
| Leisa Conway  | 04/08/09                   | 04/28/09              | 21          |

| <b>FSD CFLL Revocation Orders Issued For Failure To Maintain A Surety Bond*</b> |                            |                       |             |
|---|----------------------------|-----------------------|-------------|
| <b>Public Action</b>  | <b>Notice of Violation</b> | <b>Date of Action</b> | <b>Days</b> |
| Michael David Vaccarezza  | 04/08/09                   | 04/28/09              | 21          |
| Michael M. Yang   | 04/08/09                   | 04/28/09              | 21          |
| Mountain House Home Loans   | 04/08/09                   | 04/28/09              | 21          |
| Nelson Khachatourian  | 04/08/09                   | 04/28/09              | 21          |
| Nick Ghosop   | 04/08/09                   | 04/28/09              | 21          |
| Norris Home Loans   | 04/08/09                   | 04/28/09              | 21          |
| Pacific Wholesale Mortgage, Inc.  | 04/08/09                   | 04/28/09              | 21          |
| Profunding  | 04/08/09                   | 04/28/09              | 21          |
| Rappel Funding, LLC   | 04/08/09                   | 04/28/09              | 21          |
| Riverside Home Loans, Inc.  | 04/08/09                   | 04/28/09              | 21          |
| Indigo Financial Group, Inc.  | 04/08/09                   | 05/03/09              | 26          |
| Nbf Capital, LLC  | 04/08/09                   | 05/03/09              | 26          |
| Sunrise Mortgage, LLC   | 04/08/09                   | 05/03/09              | 26          |
| Alco Financial Services, LLC  | 04/15/09                   | 05/05/09              | 21          |
| All Loans Are Possible, Inc.  | 04/15/09                   | 05/05/09              | 21          |
| Bellavista Capital, Inc.  | 04/15/09                   | 05/05/09              | 21          |
| Lending Corner, Select Plus Mortgage  | 04/15/09                   | 05/05/09              | 21          |
| Lighthouse Brokerage Group, Inc.  | 04/15/09                   | 05/05/09              | 21          |
| Nena Capital Financial Inc.   | 04/15/09                   | 05/05/09              | 21          |
| Quantum Lending Corp.   | 04/15/09                   | 05/05/09              | 21          |
| Signal Realty   | 04/15/09                   | 05/05/09              | 21          |
| White House Lending, Incorporated   | 04/15/09                   | 05/05/09              | 21          |
| Success One Financial   | 04/08/09                   | 04/28/09              | 21          |
| Advance Mortgage  | 04/23/09                   | 05/13/09              | 21          |
| Pacific Horizon Mortgage Investors I, LLC                                       | 04/23/09                   | 05/13/09              | 21          |
| Broadscope Financial  | 04/30/09                   | 05/20/09              | 21          |
| M & A Mortgage, Inc.  | 04/30/09                   | 05/20/09              | 21          |
| U.S. Funding, Inc.  | 04/30/09                   | 05/20/09              | 21          |
| R S T Inc.  | 04/08/09                   | 04/28/09              | 21          |
| Independent Funding, Inc.   | 05/06/09                   | 05/26/09              | 21          |
| Newport Lending Corporation   | 05/06/09                   | 05/26/09              | 21          |
| Global Lending Group, Inc.  | 05/13/09                   | 06/07/09              | 26          |
| Jason K. Bartlett   | 05/20/09                   | 06/09/09              | 21          |
| Philip Carroll  | 05/20/09                   | 06/09/09              | 21          |
| Manila Money Center   | 05/27/09                   | 06/16/09              | 21          |
| Capistrano Beach Funding Corporation  | 06/04/09                   | 06/24/09              | 21          |
| Capital Direct Financial, Inc.  | 06/04/09                   | 06/24/09              | 21          |
| Lake Washington Property & Finance Co.  | 06/04/09                   | 06/29/09              | 26          |
| Mortgage Masters Direct   | 06/04/09                   | 06/24/09              | 21          |
| Platinum Mortgage And Financial Services  | 06/04/09                   | 06/24/09              | 21          |
| Pontes Financial Group, Ltd.  | 06/10/09                   | 06/30/09              | 21          |
| America's Lending Solutions, Ltd., LLC  | 06/10/09                   | 07/05/09              | 26          |

| <b>FSD CFLL Revocation Orders Issued For Failure To Maintain A Surety Bond*</b> |                            |                       |             |
|---|----------------------------|-----------------------|-------------|
| <b>Public Action</b>  | <b>Notice of Violation</b> | <b>Date of Action</b> | <b>Days</b> |
| American Pacific Funding  | 06/17/09                   | 07/07/09              | 21          |
| Classic Financial Group, Inc.   | 06/17/09                   | 07/07/09              | 21          |
| Tim J. Webb   | 06/17/09                   | 07/07/09              | 21          |
| BMC Capital, LP   | 06/24/09                   | 07/20/09              | 27          |
| Associated Mortgage Group   | 07/01/09                   | 07/21/09              | 21          |
| Vernon Street Capital   | 07/01/09                   | 07/21/09              | 21          |
| West Coast Funding  | 07/01/09                   | 07/21/09              | 21          |
| Churchill Capital Mezzanine Finance LLC (2 locations)                           | 07/01/09                   | 07/27/09              | 27          |

**Locations            123**  
**Companies        115**

\*Bond orders are issued on different days after the Notice of Intention is sent depending on whether they are to in state or out of state companies if not resolved.

| <b>FSD CFLL Notice Of Intent To Revoke For Failure To Maintain A Surety Bond</b> |                            |                       |             |
|--|----------------------------|-----------------------|-------------|
| <b>Public Action</b>   | <b>Notice of Violation</b> | <b>Date of Action</b> | <b>Days</b> |
| Ar Home Loans Inc.   | 02/02/09                   | 02/04/09              | 3           |
| Family Lending Company   | 02/02/09                   | 02/04/09              | 3           |
| Harmony Gold Finance, Inc.   | 01/29/09                   | 02/04/09              | 7           |
| Shai Magdish   | 01/30/09                   | 02/04/09              | 6           |
| Cornerstone Realty & Funding Group, Inc.   | 02/06/09                   | 02/11/09              | 6           |
| Hoylecohen Mortgage Fund I, LLC  | 02/08/09                   | 02/11/09              | 4           |
| Matrix Real Estate & Investments   | 02/10/09                   | 02/11/09              | 2           |
| Nbgi, Inc.   | 02/11/09                   | 02/11/09              | 1           |
| Paradise Real Estate & Loans, Inc.   | 02/11/09                   | 02/11/09              | 1           |
| Prado Mortgage, Inc. (2 locations)   | 02/08/09                   | 02/11/09              | 4           |
| South Bay Mortgage Company   | 02/11/09                   | 02/11/09              | 1           |
| South East Financial Corporation   | 02/08/09                   | 02/11/09              | 4           |
| Express Loan America, Inc.   | 02/11/09                   | 02/11/09              | 1           |
| Indcap Independent Capital Inc.  | 02/08/09                   | 02/11/09              | 4           |
| Beyer Financial Corporation  | 02/15/09                   | 02/19/09              | 5           |
| Cadelpa, Inc.  | 02/15/09                   | 02/19/09              | 5           |
| California Capital And Investments Group   | 02/15/09                   | 02/19/09              | 5           |
| Citywide Mortgage Loan, Inc. (2 locations)                                       | 02/14/09                   | 02/19/09              | 6           |
| Liberty One Lending Incorporated (2 locations)                                   | 02/16/09                   | 02/19/09              | 4           |
| Moneyline Funding, Inc.  | 02/17/09                   | 02/19/09              | 3           |
| The Koffler Investor Group   | 02/14/09                   | 02/19/09              | 6           |
| Vendor Direct Solutions, LLC   | 02/12/09                   | 02/19/09              | 8           |
| Wall St. Mortgage, Inc.  | 02/19/09                   | 02/19/09              | 1           |
| Alma Financial Services  | 03/03/09                   | 03/04/09              | 2           |



## FSD CFLL Notice Of Intent To Revoke For Failure To Maintain A Surety Bond

| Public Action                                  | Notice of Violation | Date of Action | Days |
|--|---------------------|----------------|------|
| Amber Financial Group, LLC                     | 02/20/09            | 03/04/09       | 13   |
| Anthony Russo                                  | 03/02/09            | 03/04/09       | 3    |
| Crystal Financial Group, Inc.                  | 03/01/09            | 03/04/09       | 4    |
| David Brian Mitchell                           | 03/01/09            | 03/04/09       | 4    |
| Equity Financial Network, Inc.                 | 02/20/09            | 03/04/09       | 13   |
| Hightower Financial LLC                        | 02/25/09            | 03/04/09       | 8    |
| Knight Lending Corporation                     | 02/21/09            | 03/04/09       | 12   |
| Leaderscorp Financial Inc. (2 locations)       | 02/22/09            | 03/04/09       | 11   |
| Merchants Home Loan Services LLC (2 locations) | 03/04/09            | 03/04/09       | 1    |
| Nxt Equities Incorporated                      | 03/01/09            | 03/04/09       | 4    |
| Oscarmac                                       | 03/02/09            | 03/04/09       | 3    |
| Rightway Financial Group, Inc.                 | 03/04/09            | 03/04/09       | 1    |
| Sage Financial Group, LLC                      | 02/27/09            | 03/04/09       | 6    |
| Sandra Smith                                   | 02/25/09            | 03/04/09       | 8    |
| Securities Equipment Leasing                   | 02/28/09            | 03/04/09       | 5    |
| Stephen D. Hale                                | 03/04/09            | 03/04/09       | 1    |
| American Mutual Mortgage Company               | 02/24/09            | 03/04/09       | 9    |
| First Jersey Mortgage Services, Inc.           | 03/01/09            | 03/04/09       | 4    |
| Merit Home Funding Inc.                        | 02/26/09            | 03/04/09       | 7    |
| Radiance Capital, LLC                          | 02/26/09            | 03/04/09       | 7    |
| Securitybanc Mortgage                          | 02/23/09            | 03/04/09       | 10   |
| 21st Capital Corp.                             | 03/11/09            | 03/11/09       | 1    |
| Ace Management Group, Inc. (2 locations)       | 03/11/09            | 03/11/09       | 1    |
| Equity Group Financial                         | 03/10/09            | 03/11/09       | 2    |
| Home Loan Consultants, Inc. (3 locations)      | 03/10/09            | 03/11/09       | 2    |
| J Dalton Mortgage                              | 03/11/09            | 03/11/09       | 1    |
| Millennium Realty Services                     | 03/06/09            | 03/11/09       | 6    |
| Moneybag Lending Tree                          | 03/11/09            | 03/11/09       | 1    |
| Money.net, Inc.                                | 03/11/09            | 03/11/09       | 1    |
| Oportunidad, Inc.                              | 03/11/09            | 03/11/09       | 1    |
| Artisan Mortgage, L.L.C.                       | 03/07/09            | 03/11/09       | 5    |
| Tmtfc  | 03/11/09            | 03/11/09       | 1    |
| Affordable Home Loans                          | 03/12/09            | 03/19/09       | 8    |
| First Option Lending                           | 03/15/09            | 03/19/09       | 5    |
| Front Line Finance, Inc.                       | 03/15/09            | 03/19/09       | 5    |
| Progressive Lending Group                      | 03/19/09            | 03/19/09       | 1    |
| Roy Al Finance & Loan Co.                      | 03/15/09            | 03/19/09       | 5    |
| Steven Allen Hatch                             | 03/15/09            | 03/19/09       | 5    |
| Triduanum Financial Inc.                       | 03/18/09            | 03/19/09       | 2    |
| Zackery Childress                              | 03/15/09            | 03/19/09       | 5    |
| Agricredit Acceptance LLC                      | 03/19/09            | 03/19/09       | 1    |
| My Financial Company (3 locations)             | 03/15/09            | 03/19/09       | 5    |



## FSD CFLL Notice Of Intent To Revoke For Failure To Maintain A Surety Bond

| Public Action                            | Notice of Violation | Date of Action | Days |
|--|---------------------|----------------|------|
| Barrow Inc.                              | 03/20/09            | 04/08/09       | 20   |
| Blue Chip Realty Fund LLC                | 03/20/09            | 04/08/09       | 20   |
| Catalina Mortgage And Financial Services | 04/01/09            | 04/08/09       | 8    |
| DI Homeloans                             | 04/08/09            | 04/08/09       | 1    |
| Equity 1                                 | 03/27/09            | 04/08/09       | 13   |
| Eternity Homes And Loans                 | 03/25/09            | 04/08/09       | 15   |
| Ez Finance, LLC                          | 03/25/09            | 04/08/09       | 15   |
| Gigante Mortgage, Inc.                   | 03/25/09            | 04/08/09       | 15   |
| Janet Brown                              | 03/20/09            | 04/08/09       | 20   |
| Juniper Lending                          | 04/03/09            | 04/08/09       | 6    |
| Leisa Conway                             | 03/25/09            | 04/08/09       | 15   |
| Michael David Vaccarezza                 | 03/28/09            | 04/08/09       | 12   |
| Michael M. Yang                          | 03/25/09            | 04/08/09       | 15   |
| Mountain House Home Loans                | 04/04/09            | 04/08/09       | 5    |
| Nelson Khachatourian                     | 03/25/09            | 04/08/09       | 15   |
| Newmarket Capital Group, LLC             | 04/01/09            | 04/08/09       | 8    |
| Nick Ghosoph                             | 03/20/09            | 04/08/09       | 20   |
| Norris Home Loans                        | 03/25/09            | 04/08/09       | 15   |
| Pacific Wholesale Mortgage, Inc.         | 03/25/09            | 04/08/09       | 15   |
| Profunding                               | 03/26/09            | 04/08/09       | 14   |
| Quote Match, LLC                         | 04/01/09            | 04/08/09       | 8    |
| R S T Inc.                               | 03/25/09            | 04/08/09       | 15   |
| Rappel Funding, LLC                      | 04/01/09            | 04/08/09       | 8    |
| Riverside Home Loans, Inc.               | 04/06/09            | 04/08/09       | 3    |
| Success One Financial                    | 03/21/09            | 04/08/09       | 19   |
| Trident Asset Management, Inc.           | 04/03/09            | 04/08/09       | 6    |
| Trident Investment Fund, LLC             | 04/03/09            | 04/08/09       | 6    |
| Troy Swenson                             | 04/03/09            | 04/08/09       | 6    |
| United Standard Home Loans, Inc.         | 04/08/09            | 04/08/09       | 1    |
| Wireless Capital Partners, LLC           | 03/28/09            | 04/08/09       | 12   |
| Amc Funding Corporation                  | 03/30/09            | 04/08/09       | 10   |
| American Eagle Financial, Inc.           | 03/25/09            | 04/08/09       | 15   |
| Consolidated Financial Brokerage LLC     | 04/08/09            | 04/08/09       | 1    |
| Indigo Financial Group, Inc.             | 04/04/09            | 04/08/09       | 5    |
| Marvin Simmons Inc.                      | 03/25/09            | 04/08/09       | 15   |
| Money Warehouse, Inc.                    | 03/22/09            | 04/08/09       | 18   |
| Nbf Capital, LLC                         | 04/02/09            | 04/08/09       | 7    |
| Small Business Loan Source LLC           | 03/28/09            | 04/08/09       | 12   |
| Sun National Mortgage & Funding, LLC     | 04/06/09            | 04/08/09       | 3    |
| Sunrise Mortgage, LLC                    | 03/27/09            | 04/08/09       | 13   |
| Foundation First Mortgage                | 03/15/09            | 04/09/09       | 26   |
| Absolute Mortgage & Realty Inc.          | 01/08/09            | 04/15/09       | 98   |
| Alco Financial Services, LLC             | 03/18/09            | 04/15/09       | 29   |

## FSD CFLL Notice Of Intent To Revoke For Failure To Maintain A Surety Bond

| Public Action                              | Notice of Violation | Date of Action | Days |
|--|---------------------|----------------|------|
| All Loans Are Possible, Inc.               | 01/01/09            | 04/15/09       | 105  |
| Bellavista Capital, Inc.                   | 04/10/09            | 04/15/09       | 6    |
| First Investor Lending, Inc.               | 04/11/09            | 04/15/09       | 5    |
| Lending Corner, Select Plus Mortgage       | 04/16/09            | 04/15/09       | 0    |
| Lighthouse Brokerage Group, Inc.           | 04/12/09            | 04/15/09       | 4    |
| Nena Capital Financial Inc.                | 04/15/09            | 04/15/09       | 1    |
| Quantum Lending Corp.                      | 04/09/09            | 04/15/09       | 7    |
| Signal Realty                              | 04/16/09            | 04/15/09       | 0    |
| Souniq Group, Inc.                         | 04/13/09            | 04/15/09       | 3    |
| White House Lending, Incorporated          | 04/15/09            | 04/15/09       | 1    |
| Advance Mortgage                           | 04/23/09            | 04/23/09       | 1    |
| First Life Mortgage, Inc.                  | 04/23/09            | 04/23/09       | 1    |
| Inhouse Mortgage                           | 04/20/09            | 04/23/09       | 4    |
| James Edward Ford                          | 04/15/09            | 04/23/09       | 9    |
| Loanadvisors, Inc. (4 locations)           | 04/26/09            | 04/26/09       | 1    |
| Option Mortgage (2 locations)              | 04/17/09            | 04/23/09       | 7    |
| Pacific Horizon Mortgage Investors I, LLC  | 04/22/09            | 04/23/09       | 2    |
| Redwood Financial, Inc.                    | 03/12/09            | 04/23/09       | 43   |
| Csmg Corp.                                 | 04/18/09            | 04/23/09       | 6    |
| E-Commercial Funding.Com, Inc.             | 04/18/09            | 04/23/09       | 6    |
| Gaucho Partners, LLC                       | 04/16/09            | 04/23/09       | 8    |
| Mbi, Mortgage, Inc.                        | 04/23/09            | 04/23/09       | 1    |
| Premier Lending Group, LLC                 | 04/22/09            | 04/23/09       | 2    |
| Unicredit Usa, Inc. (2 locations)          | 02/22/09            | 04/23/09       | 61   |
| Us Home Mortgage, Inc.                     | 04/23/09            | 04/23/09       | 1    |
| Funding City Corp.                         | 03/20/09            | 04/24/09       | 36   |
| Broadscope Financial                       | 04/29/09            | 04/30/09       | 2    |
| Equity 1 Lenders Group (2 locations)       | 04/29/09            | 04/30/09       | 2    |
| Global Trio Funding, Inc.                  | 04/25/09            | 04/30/09       | 6    |
| Integrity Bancorp                          | 04/25/09            | 04/30/09       | 6    |
| M & A Mortgage, Inc.                       | 04/24/09            | 04/30/09       | 7    |
| U.S. Funding, Inc.                         | 04/27/09            | 04/30/09       | 4    |
| Equity Capital Funding, Corp.              | 04/25/09            | 04/30/09       | 6    |
| Etekcapi, LLC (2 locations)                | 04/25/09            | 04/30/09       | 6    |
| Ics-Financial Inc.                         | 05/03/09            | 05/06/09       | 4    |
| Independent Funding, Inc.                  | 05/05/09            | 05/06/09       | 2    |
| L.H.N. Financial                           | 05/01/09            | 05/06/09       | 6    |
| Leonard Robin                              | 05/03/09            | 05/06/09       | 4    |
| Mark Cafaro                                | 05/03/09            | 05/06/09       | 4    |
| Nationwide Discount Mortgage, A California | 05/01/09            | 05/06/09       | 6    |
| Newport Lending Corporation                | 05/04/09            | 05/06/09       | 3    |
| World Investment Network (2 locations)     | 05/01/09            | 05/06/09       | 6    |
| 1stvirtual Mortgage LLC                    | 05/02/09            | 05/06/09       | 5    |

## FSD CFLL Notice Of Intent To Revoke For Failure To Maintain A Surety Bond

| Public Action                                      | Notice of Violation | Date of Action | Days |
|--|---------------------|----------------|------|
| Homeowners Financial Group Usa, LLC                | 05/01/09            | 05/06/09       | 6    |
| All American Lending, Inc.                         | 05/12/09            | 05/13/09       | 2    |
| Citizens Mortgage Management, Inc.                 | 05/09/09            | 05/13/09       | 5    |
| Eloan Engine, Home Community Lending (4 locations) | 05/07/09            | 05/13/09       | 7    |
| Kdo Capital  | 05/11/09            | 05/13/09       | 3    |
| Save On Funding Mortgage Corporation               | 05/07/09            | 05/13/09       | 7    |
| Stevco, Inc.                                       | 05/10/09            | 05/13/09       | 4    |
| Global Lending Group, Inc.                         | 05/07/09            | 05/13/09       | 7    |
| Kuhlmann Commercial Capital, Incorporated          | 05/11/09            | 05/13/09       | 3    |
| Coast To Coast Mortgage Financial, Inc.            | 05/19/09            | 05/20/09       | 2    |
| Golden Rim Financial Corporation                   | 05/17/09            | 05/20/09       | 4    |
| Jason K. Bartlett                                  | 05/17/09            | 05/20/09       | 4    |
| Philip Carroll                                     | 05/19/09            | 05/20/09       | 2    |
| No Bull Financial LLC                              | 05/20/09            | 05/20/09       | 1    |
| Calwood Finance                                    | 05/24/09            | 05/27/09       | 4    |
| Keswick Financial Group Inc.                       | 05/23/09            | 05/27/09       | 5    |
| Manila Money Center                                | 05/25/09            | 05/27/09       | 3    |
| Community One Mortgage, LLC                        | 05/21/09            | 05/27/09       | 7    |
| Capistrano Beach Funding Corporation               | 06/04/09            | 06/04/09       | 1    |
| Capital Direct Financial, Inc.                     | 06/03/09            | 06/04/09       | 2    |
| Dove Capital Corporation                           | 05/28/09            | 06/04/09       | 8    |
| Global Shield Finance, Inc.                        | 05/31/09            | 06/04/09       | 5    |
| Hye, Inc.  | 06/03/09            | 06/04/09       | 2    |
| Magnus Financial                                   | 05/29/09            | 06/04/09       | 7    |
| Mortgage Masters Direct                            | 05/30/09            | 06/04/09       | 6    |
| Newport Capital Partners, LLC                      | 06/03/09            | 06/04/09       | 2    |
| Platinum Mortgage And Financial Services           | 06/03/09            | 06/04/09       | 2    |
| America's Mortgage Broker, L.L.C.                  | 06/04/09            | 06/04/09       | 1    |
| Lake Washington Property & Finance Co.             | 05/31/09            | 06/04/09       | 5    |
| Nationwide Discount Mortgage, Motion Picture       | 05/29/09            | 06/04/09       | 7    |
| Integrated Mortgage Corporation                    | 06/08/09            | 06/10/09       | 3    |
| Pontes Financial Group, Ltd.                       | 06/05/09            | 06/10/09       | 6    |
| S.F. Financial Services, LLC                       | 06/09/09            | 06/10/09       | 2    |
| America's Lending Solutions, Ltd., LLC             | 06/06/09            | 06/10/09       | 5    |
| American Pacific Funding                           | 06/15/09            | 06/17/09       | 3    |
| Classic Financial Group, Inc.                      | 06/11/09            | 06/17/09       | 7    |
| Mutual Funding Group                               | 06/13/09            | 06/17/09       | 5    |
| Tim J. Webb  | 06/17/09            | 06/17/09       | 1    |
| Irwin Franchise Capital Corporation                | 06/17/09            | 06/17/09       | 1    |
| Lakeview Funding Corp.                             | 06/13/09            | 06/17/09       | 5    |
| Bonny Franklin                                     | 06/19/09            | 06/24/09       | 6    |
| Mark Y. Sah  | 06/24/09            | 06/24/09       | 1    |
| Worldwide Lending Services                         | 06/21/09            | 06/24/09       | 4    |

## FSD CFLL Notice Of Intent To Revoke For Failure To Maintain A Surety Bond

| Public Action   | Notice of Violation | Date of Action | Days |
|---|---------------------|----------------|------|
| Bmc Capital, Lp                                       | 06/20/09            | 06/24/09       | 5    |
| Epix Funding Group, Inc.                              | 06/21/09            | 06/24/09       | 4    |
| Associated Mortgage Group                             | 07/01/09            | 07/01/09       | 1    |
| Churchill Capital Mezzanine Finance LLC (2 locations) | 06/29/09            | 07/01/09       | 3    |
| Monument Funding Corporation                          | 06/29/09            | 07/01/09       | 3    |
| Oasis Lending Corporation                             | 06/26/09            | 07/01/09       | 6    |
| Peter Wenhan Hsu                                      | 06/25/09            | 07/01/09       | 7    |
| Public Capital Bankorp Inc.                           | 07/01/09            | 07/01/09       | 1    |
| Vernon Street Capital                                 | 06/28/09            | 07/01/09       | 4    |
| West Coast Funding                                    | 06/26/09            | 07/01/09       | 6    |
| Fame Assistance Corporation                           | 07/08/09            | 07/08/09       | 1    |
| Maximum Capital Corporation                           | 07/08/09            | 07/08/09       | 1    |
| South Bay Financial Group                             | 07/05/09            | 07/08/09       | 4    |
| Direct Home Loans, L.L.C.                             | 07/12/09            | 07/15/09       | 4    |
| Entrance Financial                                    | 07/09/09            | 07/15/09       | 7    |
| Interstate Mortgage Service, Inc.                     | 07/09/09            | 07/15/09       | 7    |
| Money U S A   | 07/11/09            | 07/15/09       | 5    |
| Oceanview Financial Group                             | 07/12/09            | 07/15/09       | 4    |
| Veterans Home Mortgage Inc.                           | 07/12/09            | 07/15/09       | 4    |
| American Freedom Group, Inc. (3 locations)            | 07/22/09            | 07/22/09       | 1    |
| Avalon Funding Corporation                            | 07/22/09            | 07/22/09       | 1    |
| California Coast Funding Incorporated                 | 07/18/09            | 07/22/09       | 5    |
| Charcole Capital Corporation                          | 07/16/09            | 07/22/09       | 7    |
| Cleveland Harrell, Jr.                                | 07/22/09            | 07/22/09       | 1    |
| Doug Hartman Insurance Services                       | 07/16/09            | 07/22/09       | 7    |
| First Benko's Mortgage                                | 07/22/09            | 07/22/09       | 1    |
| Lfi Investment Fund, LLC                              | 07/17/09            | 07/22/09       | 6    |
| Lux Funding, Inc.                                     | 07/17/09            | 07/22/09       | 6    |
| Nationwide Lending Corporation (3 locations)          | 07/16/09            | 07/22/09       | 7    |
| Pacific Northwest Mortgage Corporation (8 locations)  | 07/22/09            | 07/22/09       | 1    |
| Rockaway Beach Financial Corporation                  | 07/21/09            | 07/22/09       | 2    |
| Statewide Financial Corp.                             | 07/17/09            | 07/22/09       | 6    |
| Surgeons Choice Finance, LLC                          | 07/17/09            | 07/22/09       | 6    |
| Westover Financial, Inc.                              | 07/22/09            | 07/22/09       | 1    |
| Windsor Capital Mortgage Corporation (2 locations)    | 07/16/09            | 07/22/09       | 7    |
| Advanced Capital USA, Inc.                            | 07/29/09            | 07/29/09       | 1    |
| American Mortgage Lending Services                    | 07/25/09            | 07/29/09       | 5    |
| Calfund, LLC  | 07/24/09            | 07/29/09       | 6    |
| First Portland Corporation                            | 07/27/09            | 07/29/09       | 3    |
| Gold Star Mortgage Financial Group,                   | 07/27/09            | 07/29/09       | 3    |
| Sean Housen   | 07/24/09            | 07/29/09       | 6    |
| TDI Mortgage Investors, LLC                           | 07/29/09            | 07/29/09       | 1    |
| Vintage Capital Partners, LP                          | 07/24/09            | 07/29/09       | 6    |

### FSD CFLL Notice Of Intent To Revoke For Failure To Maintain A Surety Bond

| Public Action                         | Notice of Violation | Date of Action | Days |
|---------------------------------------|---------------------|----------------|------|
| Vintage Funding, LLC                  | 07/24/09            | 07/29/09       | 6    |
| Western Highland Mortgage Company     | 07/29/09            | 07/29/09       | 1    |
| Western Highland Mortgage Fund I, LLC | 07/29/09            | 07/29/09       | 1    |
| Vintage Capital Partners, LP          | 07/24/09            | 07/29/09       | 6    |
| Vintage Funding, LLC                  | 07/24/09            | 07/29/09       | 6    |
| Western Highland Mortgage Company     | 07/29/09            | 07/29/09       | 1    |
| Western Highland Mortgage Fund I, LLC | 07/29/09            | 07/29/09       | 1    |

**Locations 276**  
**Companies 242**

### FSD CRMLA Public Actions

| Public Action   | Notice of Violation | Date of Action | Days |
|---|---------------------|----------------|------|
| 1st Republic Mortgage Bankers, Inc. - Surety bond cancelled. Order to Discontinue issued.       | 03/02/09            | 03/02/09       | 1    |
| Ashford Mortgage - Surety bond cancelled. Order to Discontinue issued.                          | 05/31/09            | 06/02/09       | 3    |
| Bergin Financial, Inc. - Surety bond cancelled. Order to Discontinue issued.                    | 06/08/09            | 06/08/09       | 1    |
| City First Mortgage Services, L.L.C. - Annual assessment paid. Summary revocation set aside.    | 05/11/09            | 05/11/09       | 1    |
| Gold Reverse, Inc. - License revoked for failure to pay annual assessment                       | 10/20/08            | 02/02/09       | 106  |
| Irwin Mortgage Corporation - Surety bond cancelled. Order to Discontinue issued.                | 06/18/09            | 06/18/09       | 1    |
| Irwin Mortgage Corporation - New surety bond received. Order to Discontinue set aside.          | 06/22/09            | 06/22/09       | 1    |
| IZT Mortgage, Inc. - Surety bond cancelled. Order to Discontinue issued.                        | 02/21/09            | 02/27/09       | 7    |
| Mirad Financial Group - Annual assessment paid. Summary revocation set aside.                   | 02/13/09            | 02/13/09       | 1    |
| Mortgage Now, Inc. - New surety bond received. Order to Discontinue set aside.                  | 04/24/09            | 04/24/09       | 1    |
| Nations Home Funding, Inc. - Surety bond cancelled. Order to Discontinue issued.                | 04/29/09            | 04/29/09       | 1    |
| Residential Loan Centers of America, Inc. - Surety bond cancelled. Order to Discontinue issued. | 03/26/09            | 04/02/09       | 8    |
| Sunshine Mortgage Corporation - Surety bond cancelled. Order to Discontinue issued.             | 02/25/09            | 04/13/09       | 48   |
| United Security Financial - New surety bond received. Order to Discontinue set aside.           | 05/07/09            | 05/07/09       | 1    |

| FSD CRMLA Public Actions  |                     |                |      |
|---|---------------------|----------------|------|
| Public Action   | Notice of Violation | Date of Action | Days |
| United Security Financial - Surety bond cancelled. Order to Discontinue issued.                 | 04/29/09            | 04/29/09       | 1    |
| Utah Financial, Inc. - Surety bond cancelled. Order to Discontinue issued.                      | 05/30/09            | 06/02/09       | 4    |
| Worldwide Financial Resources, Inc. - New surety bond received. Order to Discontinue set aside. | 04/02/09            | 04/02/09       | 1    |
| Your-Best-Rate Financial, L.L.C. - Surety bond cancelled. Order to Discontinue issued.          | 06/01/09            | 06/02/09       | 2    |
| IZT Mortgage, Inc. - New surety bond received. Order to Discontinue set aside.                  | 02/27/09            | 07/15/09       | 139  |
| Parkside Lending, LLC - New surety bond received. Order to Discontinue set aside.               | 07/22/09            | 07/22/09       | 1    |
| Acceptance Capital Mortgage Corporation - Surety bond cancelled. Order to Discontinue issued.   | 07/15/09            | 07/15/09       | 1    |

| FSD Escrow Public Actions-Surety Bond Canceled |                     |                |      |
|--|---------------------|----------------|------|
| Public Actions                                 | Notice of Violation | Date of Action | Days |
| The Escrow Company, Inc.*                      | 2/8/2009            | 2/10/2009      | 3    |
| BBC Escrow, Inc.*                              | 2/26/2009           | 3/2/2009       | 5    |
| Sage Credit Escrow, Inc.                       | 2/26/2009           | 3/2/2009       | 5    |
| Just Escrow                                    | 3/6/2009            | 3/10/2009      | 5    |
| Skyview Escrow Inc.**                          | 12/12/2008          | 3/10/2009      | 89   |
| TNT Escrow, Inc.*                              | 5/15/2009           | 5/15/2009      | 1    |
| Keystone Escrow, Inc.*                         | 6/4/2009            | 6/5/2009       | 2    |
| Haven Escrow, Inc.*                            | 6/4/2009            | 6/5/2009       | 2    |
| Sunrise Escrow Corporation                     | 6/19/2009           | 6/19/2009      | 1    |
| Your Escrow Company                            | 7/5/2009            | 7/6/2009       | 2    |
| Efficient Escrow Company                       | 7/24/2009           | 7/28/2009      | 5    |

\* These orders were set aside when new bonds were obtained or the originals were reinstated.

\*\* Company was known to be inactive and was an Enforcement case



| FSD Escrow Public Actions – Non Payment of Assessments |                     |                |      |
|--|---------------------|----------------|------|
| Public Action  | Notice of Violation | Date of Action | Days |
| A 2 Z Escrow, Inc.                                     | 7/1/2008            | 3/26/2009      | 269  |
| Alden Lyman Escrow Corporation                         | 7/1/2008            | 3/26/2009      | 269  |
| All-State Escrow                                       | 7/1/2008            | 3/26/2009      | 269  |
| All-Win Escrow, Inc.                                   | 7/1/2008            | 3/26/2009      | 269  |
| Alpha Escrow, Inc.                                     | 7/1/2008            | 3/26/2009      | 269  |
| American Freedom Escrow, Inc.                          | 7/1/2008            | 3/26/2009      | 269  |
| American Star Escrow Corporation                       | 7/1/2008            | 3/26/2009      | 269  |
| Anthem Escrow Corporation                              | 7/1/2008            | 3/26/2009      | 269  |
| Belvedere Escrow, Inc.                                 | 7/1/2008            | 3/26/2009      | 269  |
| Best Quality Escrow, Inc.                              | 7/1/2008            | 3/26/2009      | 269  |
| C.M.A. Escrow Services, Inc.                           | 7/1/2008            | 3/26/2009      | 269  |
| Cal Counties Escrow, Inc.                              | 7/1/2008            | 3/26/2009      | 269  |
| Calcoast Escrow, Inc.                                  | 7/1/2008            | 3/26/2009      | 269  |
| California Homeowner's, Escrow, Inc.                   | 7/1/2008            | 3/26/2009      | 269  |
| Centralized Escrow Systems, Inc.                       | 7/1/2008            | 3/26/2009      | 269  |
| Centre City Escrow, Inc.                               | 7/1/2008            | 3/26/2009      | 269  |
| Century Escrow   | 7/1/2008            | 3/26/2009      | 269  |
| Desert Sands Escrow                                    | 7/1/2008            | 3/26/2009      | 269  |
| Diamond Escrow, Inc.                                   | 7/1/2008            | 3/26/2009      | 269  |
| Escrow Closing Services, Inc.                          | 7/1/2008            | 3/26/2009      | 269  |
| Escrow Gallery, Inc.                                   | 7/1/2008            | 3/26/2009      | 269  |
| Escrow Land, Inc.                                      | 7/1/2008            | 3/26/2009      | 269  |
| Escrow Street  | 7/1/2008            | 3/26/2009      | 269  |
| Escrow Works, Inc.                                     | 7/1/2008            | 3/26/2009      | 269  |
| Excel Escrow Corp.                                     | 7/1/2008            | 3/26/2009      | 269  |
| Fastrack Escrow, Inc.                                  | 7/1/2008            | 3/26/2009      | 269  |
| Fidelity Escrow Group                                  | 7/1/2008            | 3/26/2009      | 269  |
| First Secure Escrow, Inc.                              | 7/1/2008            | 3/26/2009      | 269  |
| Hidden Valley Escrow, Inc.                             | 7/1/2008            | 3/26/2009      | 269  |
| Highpoint Escrow, Inc.                                 | 7/1/2008            | 3/26/2009      | 269  |
| Hollywood Escrow, Incorporated                         | 7/1/2008            | 3/26/2009      | 269  |
| Home Key Escrow, Inc.                                  | 7/1/2008            | 3/26/2009      | 269  |
| Just Escrow  | 7/1/2008            | 3/26/2009      | 269  |
| King Harbor Escrow, Inc.                               | 7/1/2008            | 3/26/2009      | 269  |
| Ltv Escrow Inc.  | 7/1/2008            | 3/26/2009      | 269  |
| Morning Star Escrow, Inc.                              | 7/1/2008            | 3/26/2009      | 269  |
| Nationwide Escrow Company, Inc.                        | 7/1/2008            | 3/26/2009      | 269  |
| North Star Escrow, Inc.                                | 7/1/2008            | 3/26/2009      | 269  |
| Northeast Escrow Services, Inc.                        | 7/1/2008            | 3/26/2009      | 269  |
| Olympic Escrow, Inc.                                   | 7/1/2008            | 3/26/2009      | 269  |
| Pacific Communities Escrow, Incorporated               | 7/1/2008            | 3/26/2009      | 269  |
| Pacific First Escrow, Inc.*                            | 7/1/2008            | 3/26/2009      | 269  |
| R & R Escrow, Inc.                                     | 7/1/2008            | 3/26/2009      | 269  |

| <b>FSD Escrow Public Actions – Non Payment of Assessments</b> |          |           |     |
|---|----------|-----------|-----|
| Renaissance Escrow, Inc.                                      | 7/1/2008 | 3/26/2009 | 269 |
| Rock & Roll Escrow, Inc.                                      | 7/1/2008 | 3/26/2009 | 269 |
| Spectrum Escrow, Inc.   | 7/1/2008 | 3/26/2009 | 269 |
| Streamline Escrow   | 7/1/2008 | 3/26/2009 | 269 |
| Team Empire Escrow, Inc.                                      | 7/1/2008 | 3/26/2009 | 269 |
| Transamerican Escrow Corp.                                    | 7/1/2008 | 3/26/2009 | 269 |
| Trustmark Escrow, Inc.  | 7/1/2008 | 3/26/2009 | 269 |
| U.S. Escrow Services  | 7/1/2008 | 3/26/2009 | 269 |
| Valley Escrow, Inc.   | 7/1/2008 | 3/26/2009 | 269 |
| Venecia Escrow, Inc.  | 7/1/2008 | 3/26/2009 | 269 |
| Ventura Escrow Corporation                                    | 7/1/2008 | 3/26/2009 | 269 |
| Verdugo Hills Escrow Corporation                              | 7/1/2008 | 3/26/2009 | 269 |
| Virtual Escrow, Inc.  | 7/1/2008 | 3/26/2009 | 269 |
| Vital Escrow, Inc.  | 7/1/2008 | 3/26/2009 | 269 |
| Wingate Escrow Corporation                                    | 7/1/2008 | 3/26/2009 | 269 |

\* Order set aside

| <b>FSD DDTL Revocation of License for Failure to File Annual Report</b>             |                            |                       |             |
|---|----------------------------|-----------------------|-------------|
| <b>Public Action</b>  | <b>Notice of Violation</b> | <b>Date of Action</b> | <b>Days</b> |
| Quick and Easy Check Cashing, Inc. dba Primera Check Cashing                        | 3/20/2009                  | 4/15/2009             | 27          |
| Jose Carmen Cordova and Quadaalupe Cordova dba Speed Check Cashing (2 locations)    | 3/20/2009                  | 4/15/2009             | 27          |
| Zipy's Currency X-Change, Inc. dba Power Check Cashing Payday Advance (2 locations) | 3/20/2009                  | 4/15/2009             | 27          |
| Francisco J. Tejeda and Valentina Tejeda dba Common Cents                           | 3/20/2009                  | 4/15/2009             | 27          |
| Dash 4 Cash, Inc. (2 locations)   | 3/20/2009                  | 4/15/2009             | 27          |
| Khurana Holdings Corporation dba Cash N Advance (2 locations)                       | 3/20/2009                  | 4/15/2009             | 27          |
| All In One Jimenez, Inc. dba Easy Check Cashing                                     | 4/8/2009                   | 5/20/2009             | 43          |



**FSD DDTL Public Actions Desist and Refrain Orders and Citations issued  
through Regulatory Process**

| <b>Public Action</b>  | <b>Notice of Violation</b> | <b>Date of Action</b> | <b>Days</b> |
|---|----------------------------|-----------------------|-------------|
| Leon's Discount Store, Tony Saryan  | 2/26/2009                  | 2/26/2009             | 1           |
| B & R Check Holders, Inc.   | 5/19/2009                  | 5/19/2009             | 1           |
| Jose Carmen Cordova and Guadalupe Cordova dba Speed Check Cashing (2 locations) | 3/24/2009                  | 3/24/2009             | 1           |
| Mandalay Financial Services Corp  | 5/19/2009                  | 5/19/2009             | 1           |
| P & D Checks For Less, Inc. dba Checks for Cash                                 | 6/16/2009                  | 6/16/2009             | 1           |
| IZL Cash & Go, Inc. (2 locations)   | 6/26/2009                  | 6/26/2009             | 1           |
| Tracy Coffman dba Quick Cash USA  | 7/6/2009                   | 7/6/2009              | 1           |

**FSD DDTL Orders for Failure to Maintain Surety Bond**

| <b>Public Action</b>   | <b>Notice of Violation</b> | <b>Date of Action</b> | <b>Days</b> |
|--|----------------------------|-----------------------|-------------|
| Cabrera & Noack Inc. dba Dr. Fast Cash & Check Check Cashing | 2/11/2009                  | 3/25/2009             | 43          |
| Pro Check Cashing, Inc.                                      | 1/16/2009                  | 2/19/2009             | 35          |
| Sun Cash of SD, LLC (3 locations)                            | 1/16/2009                  | 2/3/2009              | 19          |
| Juan Pablo Cervantes dba Check By Check                      | 1/19/2009                  | 2/18/2009             | 31          |
| Francisco Tejeda/Valentina Tejeda dba Common Cents           | 4/21/2009                  | 5/20/2009             | 30          |

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## Appendix 2: Detail of Fines, Penalties and Consumer Restitution for the period of February 1, 2009 through July 31, 2009.

This table includes all penalties and fines ordered and received from FSD and Enforcement cases.

| Case Name   | Restitution Ordered | Restitution Received | Penalty or Fine Ordered | Penalty or Fine Received During Reporting Period |
|---|---------------------|----------------------|-------------------------|--|
| 1st Republic Mortgage Bankers, Inc.                                       | \$0                 | \$0                  | \$2,000                 | \$0  |
| A Plus Financial  | \$245,370           | \$0                  | \$83,480                | \$0  |
| ABC Financial Group Inc   | \$0                 | \$0                  | \$500                   | \$0  |
| Acc Funding LLC   | \$0                 | \$0                  | \$500                   | \$0  |
| Adams Financial Investment Fund, LLC                                      | \$0                 | \$0                  | \$500                   | \$500  |
| Adams Financial Management, Inc   | \$0                 | \$0                  | \$500                   | \$500  |
| Adams Financial Services, Inc   | \$0                 | \$0                  | \$500                   | \$500  |
| Advance America, Cash Advance Centers of California LLC                   | \$94,037            | \$0                  | \$164,000               | \$0  |
| Advance America, Cash Advance Centers of California, Inc. (291 locations) | \$105,396           | \$105,396            | \$164,000               | \$107,431  |
| Advisors Mortgage Group, LLC  | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| AK Bell, Inc  | \$0                 | \$0                  | \$500                   | \$0  |
| Alliance Financial Resources, LLC   | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Allied Cash Advance California LLC  | \$0                 | \$0                  | \$500                   | \$500  |
| Allied Home Mortgage Capital Corporation                                  | \$0                 | \$0                  | \$2,000                 | \$0  |
| Allpointe, LLC  | \$0                 | \$0                  | \$500                   | \$0  |
| American Affordable Homes, Inc  | \$0                 | \$0                  | \$500                   | \$500  |
| Apex Bancorp  | \$0                 | \$0                  | \$500                   | \$500  |

| Case Name                                    | Restitution Ordered | Restitution Received | Penalty or Fine Ordered | Penalty or Fine Received During Reporting Period |
|--|---------------------|----------------------|-------------------------|--|
| Arturo Pena                                  | \$0                 | \$0                  | \$500                   | \$0  |
| Avant Lending Group, Inc.                    | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Banc of America                              | \$0                 | \$0                  | \$9,746,777             | \$9,746,777                                      |
| Bergin Financial, Inc.                       | \$0                 | \$0                  | \$2,000                 | \$0  |
| Blue Ray Technologies                        | \$0                 | \$262,987            | \$0                     | \$0  |
| Blue Sapphire Investments (California), Inc. | \$0                 | \$0                  | \$1,000                 | \$0  |
| Bridge Harbor Management                     | \$1,600             | \$0                  | \$0                     | \$0  |
| Brooksamerica Mortgage Corporation           | \$0                 | \$0                  | \$2,000                 | \$0  |
| C.C. & I., Inc                               | \$0                 | \$0                  | \$500                   | \$500  |
| California Health Scan                       | \$0                 | \$21,875             | \$0                     | \$0  |
| Cal-State Corporation                        | \$0                 | \$0                  | \$500                   | \$500  |
| Cambridge Home Capital, LLC                  | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Capital Partners Funding, LLC                | \$0                 | \$0                  | \$500                   | \$500  |
| Capital Partners Services Corp               | \$0                 | \$0                  | \$500                   | \$500  |
| CCSF, LLC                                    | \$0                 | \$0                  | \$1,000                 | \$0  |
| Check Mark Enterprises                       | \$0                 | \$0                  | \$0                     | \$4,498  |
| Chicago Bancorp, Inc.                        | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Christopher E. Hobson, Inc                   | \$0                 | \$0                  | \$500                   | \$500  |
| CHScan                                       | \$0                 | \$21,875             | \$0                     | \$0  |
| CIBIC Inc                                    | \$0                 | \$0                  | \$500                   | \$500  |
| Cinamour Entertainment                       | \$5,000             | \$5,000              | \$0                     | \$0  |
| Citigroup Global Markets                     | \$3,212,645,420     | \$3,212,645,420      | \$7,371,396             | \$7,371,396                                      |
| Co-Activ Capital                             | \$0                 | \$0                  | \$40,000                | \$6,666  |
| Courtesy Mortgage Company                    | \$0                 | \$0                  | \$1,000                 | \$0  |
| Crossline Capital, Inc                       | \$0                 | \$0                  | \$500                   | \$0  |
| CVC California LLC                           | \$0                 | \$0                  | \$500                   | \$0  |
| Cwcapital LLC                                | \$0                 | \$0                  | \$500                   | \$500  |

| Case Name                                     | Restitution Ordered | Restitution Received | Penalty or Fine Ordered | Penalty or Fine Received During Reporting Period |
|---|---------------------|----------------------|-------------------------|--|
| Direct Mortgage Wholesale Corp                | \$0                 | \$0                  | \$500                   | \$500  |
| Discover DSC                                  | \$60,000            | \$60,000             | \$0                     | \$0  |
| E-Loan, Inc                                   | \$0                 | \$0                  | \$1,500                 | \$500  |
| EMC Mortgage Corporation                      | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| EOFS Mortgage Services                        | \$0                 | \$0                  | \$1,000                 | \$0  |
| Equity 1 Lenders Group                        | \$0                 | \$0                  | \$500                   | \$500  |
| Executive Home Finance Corporation            | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Executive World Corp.                         | \$0                 | \$0                  | \$1,000                 | \$0  |
| Fifth Third Mortgage Company                  | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Finance California                            | \$0                 | \$0                  | \$500                   | \$500  |
| First Associates Mortgage Corporation         | \$0                 | \$0                  | \$500                   | \$500  |
| Foundation Mortgage and Loans Company         | \$0                 | \$0                  | \$500                   | \$500  |
| Grand Peak Mortgage & Financial Services, LLC | \$0                 | \$0                  | \$500                   | \$500  |
| Hai Capital, Inc                              | \$0                 | \$0                  | \$500                   | \$500  |
| Hammond Securities Company, LLC               | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Hightechlending Inc.                          | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Home Mortgage Resources, Inc.                 | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Ideal Home Loans, Inc                         | \$0                 | \$0                  | \$500                   | \$500  |
| Impac Funding Corporation                     | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Integrated Financial Group, Inc               | \$0                 | \$0                  | \$500                   | \$500  |
| IOU Central Inc                               | \$0                 | \$0                  | \$500                   | \$500  |
| Irwin Business Finance Corporation            | \$0                 | \$0                  | \$500                   | \$500  |
| IZL Cash & Go, Inc. (2 locations)             | \$0                 | \$0                  | \$500                   | \$500  |
| IZT Mortgage, Inc.                            | \$0                 | \$0                  | \$2,000                 | \$2,000  |
| JAC Financial, Inc.                           | \$0                 | \$0                  | \$1,000                 | \$0  |

| Case Name   | Restitution Ordered | Restitution Received | Penalty or Fine Ordered | Penalty or Fine Received During Reporting Period |
|---|---------------------|----------------------|-------------------------|--|
| John Malek Yonan III  | \$0                 | \$0                  | \$500                   | \$0  |
| Jose Carmen Cordova and Guadalupe Cordova dba Speed Check Cashing (2 locations) | \$0                 | \$0                  | \$5,000                 | \$0  |
| Jose Romo dba Money \$ Money  | \$0                 | \$0                  | \$0                     | \$5,000  |
| Keith Forster   | \$0                 | \$1,800              | \$0                     | \$0  |
| Leon's Discount Store, Tony Saryan  | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Lighthouse Mortgage Funding, Inc  | \$0                 | \$0                  | \$500                   | \$500  |
| Lime Financial Services, LTD.   | \$0                 | \$0                  | \$1,000                 | \$0  |
| Loan Network Lending LLC  | \$0                 | \$0                  | \$500                   | \$0  |
| Lol Finance Co  | \$0                 | \$0                  | \$500                   | \$500  |
| LRP Capital Corp  | \$0                 | \$0                  | \$500                   | \$0  |
| Main Street Mortgage Company, Limited Partnership                               | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Mandalay Financial Services Corp  | \$0                 | \$0                  | \$11,500                | \$0  |
| Marathon Structured Finance Fund, L.P.  | \$0                 | \$0                  | \$500                   | \$500  |
| Meredian Financial Corporation  | \$0                 | \$0                  | \$1,000                 | \$0  |
| Mortgage Clearing Corporation   | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Nadia Haddad dba Cash It Quick  | \$500               | \$0                  | \$0                     | \$1,000  |
| Nafoosi, Sami dba S & D Financial   | \$0                 | \$0                  | \$0                     | \$3,000  |
| Nafoosi, Sami dba S & D Financial Management                                    | \$0                 | \$0                  | \$0                     | \$6,000  |
| Nations Home Funding, Inc.  | \$0                 | \$0                  | \$1,000                 | \$0  |
| Network Funding, L.P.   | \$0                 | \$0                  | \$1,000                 | \$1,000  |
| Nevada Property Mortgage, Inc   | \$0                 | \$0                  | \$500                   | \$500  |

| <b>Case Name</b>                                | <b>Restitution Ordered</b> | <b>Restitution Received</b> | <b>Penalty or Fine Ordered</b> | <b>Penalty or Fine Received During Reporting Period</b> |
|---|----------------------------|-----------------------------|--------------------------------|---|
| NorCal Capital, Inc                             | \$0                        | \$0                         | \$500                          | \$500   |
| Norwest Home Improvement, Inc.                  | \$0                        | \$0                         | \$1,000                        | \$1,000   |
| Oceana Media Finance, LLC                       | \$0                        | \$0                         | \$500                          | \$500   |
| OMC Mortgage Corp                               | \$0                        | \$0                         | \$1,000                        | \$500   |
| Option One Mortgage Corporation                 | \$0                        | \$0                         | \$2,000                        | \$0   |
| Order Express, Inc.                             | \$10,092                   | \$0                         | \$15,500                       | \$0   |
| Otter Loan Services Corporation                 | \$0                        | \$0                         | \$500                          | \$500   |
| P & D Checks For Less, Inc. dba Checks for Cash | \$0                        | \$0                         | \$5,000                        | \$0   |
| Pacific Reverse Mortgage, Inc                   | \$0                        | \$0                         | \$500                          | \$500   |
| Park Avenue Mortgage Group of Florida, Inc      | \$0                        | \$0                         | \$500                          | \$500   |
| Pentech Financial Services, Inc                 | \$0                        | \$0                         | \$500                          | \$500   |
| Play N Trade                                    | \$0                        | \$0                         | \$132,500                      | \$0   |
| PMC Financial Services Group, LLC               | \$0                        | \$0                         | \$500                          | \$500   |
| Popular Mortgage Servicing, Inc.                | \$0                        | \$0                         | \$1,000                        | \$1,000   |
| Professional Mortgage Partners, Inc.            | \$0                        | \$0                         | \$2,000                        | \$0   |
| Progress Financial Corporation (2 Loactions)    | \$0                        | \$0                         | \$1,000                        | \$0   |
| Progressive Lending Group                       | \$0                        | \$0                         | \$500                          | \$500   |
| PRS Franchise System                            | \$0                        | \$0                         | \$17,500                       | \$0   |
| Pure Barre Licensing                            | \$0                        | \$0                         | \$3,000                        | \$1,500   |
| Residential Loan Centers of America, Inc.       | \$0                        | \$0                         | \$2,000                        | \$0   |
| Rexford Funding LLC                             | \$0                        | \$0                         | \$500                          | \$500   |
| Robert Christy Moore                            | \$0                        | \$0                         | \$500                          | \$0   |
| Ryms Financial Services                         | \$60,209                   | \$2,950                     | \$12,500                       | \$0   |

| Case Name  | Restitution Ordered | Restitution Received | Penalty or Fine Ordered | Penalty or Fine Received During Reporting Period |
|--|---------------------|----------------------|-------------------------|--|
| Ryms Financial Services, Inc. dba Cash Plus        | \$71,884            | \$0                  | \$12,500                | \$0  |
| Security Mortgage Funding Corp.                    | \$0                 | \$0                  | \$1,000                 | \$0  |
| Set 2 Go Loans, Inc                                | \$0                 | \$0                  | \$500                   | \$500  |
| Shamitoff Industries                               | \$0                 | \$0                  | \$10,000                | \$0  |
| Simply Escrow                                      | \$0                 | \$0                  | \$0                     | \$25,000   |
| Standard Home Lending Inc                          | \$0                 | \$0                  | \$500                   | \$500  |
| Sunshine Mortgage Corporation                      | \$0                 | \$0                  | \$2,000                 | \$0  |
| The Crossfire Financial Network, Inc.              | \$0                 | \$0                  | \$1,000                 | \$0  |
| TIGS Enterprises                                   | \$14,725            | \$0                  | \$19,000                | \$0  |
| TIGS Enterprises, Inc. dba Cash Plus Office No. 96 | \$14,525            | \$0                  | \$47,000                | \$0  |
| Tracy Coffman dba Quick Cash USA                   | \$0                 | \$0                  | \$500                   | \$0  |
| Trenchant Mortgage Inc                             | \$0                 | \$0                  | \$500                   | \$500  |
| Tribeca Lending Corp.                              | \$0                 | \$0                  | \$1,000                 | \$0  |
| Twin Capital Mortgage                              | \$0                 | \$0                  | \$500                   | \$500  |
| United Home Mortgage Corporation                   | \$0                 | \$0                  | \$500                   | \$0  |
| Valleyway Mortgage, Inc                            | \$0                 | \$0                  | \$500                   | \$0  |
| Vencore Solutions LLC                              | \$0                 | \$0                  | \$500                   | \$500  |
| W.J. Bradley Mortgage Capital Corp (2 Locations)   | \$0                 | \$0                  | \$1,000                 | \$500  |
| Wachovia Securities, LLC                           | \$1,554,902,000     | \$1,554,902,000      | \$5,507,825             | \$5,507,825                                      |
| Wasatch Capital Corp                               | \$0                 | \$0                  | \$500                   | \$500  |
| Wendover Financial Services Corporation            | \$0                 | \$0                  | \$1,000                 | \$0  |
| Westlend Financing, Inc                            | \$0                 | \$0                  | \$500                   | \$500  |
| Wilshire Credit Corporation                        | \$0                 | \$0                  | \$1,000                 | \$0  |



| <b>Case Name</b>                    | <b>Restitution Ordered</b> | <b>Restitution Received</b> | <b>Penalty or Fine Ordered</b> | <b>Penalty or Fine Received During Reporting Period</b> |
|-------------------------------------|----------------------------|-----------------------------|--------------------------------|---|
| Wirth Business Credit, Inc          | \$0                        | \$0                         | \$500                          | \$500   |
| Worldwide Financial Resources, Inc. | \$0                        | \$0                         | \$2,000                        | \$0   |
| Yakety Yak Wireless                 | \$0                        | \$00                        | \$75,000                       | \$0   |
| Your-Best Rate Financial, L.L.C.    | \$0                        | \$0                         | \$1,000                        | \$0   |
| <b>Total</b>                        | <b>\$4,768,230,758</b>     | <b>\$4,768,029,303</b>      | <b>\$23,530,978</b>            | <b>\$22,831,093</b>                                     |

[End of Report]



**THE DEPARTMENT OF CORPORATIONS** is California's Business Services and Consumer and Investor Protection Agency. The Department protects California consumers by licensing and regulating individuals and companies that offer securities, investment advice, consumer finance loans, residential mortgage loans, escrows, payday loans, franchises, and certain bill-paying services. Through its enforcement activities, the Department prevents businesses and individuals from conducting unlicensed or fraudulent consumer transactions.

The Department of Corporations works collaboratively with other California State agencies (including Departments of Financial Institutions, Real Estate, Insurance, and Consumer Affairs); federal agencies (including Securities and Exchange Commission, Federal Trade Commission, Department of Defense, and U.S. Department of Justice); local agencies (including Adult Protective Services, law enforcement, and District and City Attorneys); and many other organizations.

## EDUCATION AND OUTREACH

The Department of Corporations is committed to protecting the public.

Our programs and resources are designed to teach Californians to investigate before you invest" and provide information and tools needed to stop financial and investment fraud before it happens.



**Seniors Against Investment Fraud (SAIF) Program** alerts and educates Californians over 50 about investment fraud, predatory lending, and how to avoid being scammed. SAIF utilizes a statewide network of trained senior volunteers from local Retired Senior Volunteer Programs (RSVPs) and other non-profit organizations.



**California Troops Against Predatory Scams (TAP\$) Program** alerts and educates California's military servicemembers and their families about investment fraud, predatory lending, and how to avoid being scam med.

## CALIFORNIA DEPARTMENT OF CORPORATIONS

**Toll-Free** 1-866-ASK-CORP

**TTY** 1-800-735-292

**Online** [www.corp.ca.gov](http://www.corp.ca.gov)



**California Department of Corporations**

|           |  |
|-----------|--|
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To request additional copies of this report, please call our Toll-Free number, or e-mail [forms@corp.ca.gov](mailto:forms@corp.ca.gov)

Materials presented in this report are a collective effort of the staff of the California Department of Corporations.